Featuring Real Estate Bonds

# THE FINANCIAL POST

*The Canadian Newspaper for Business Men and Investors*

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## BUSINESS SEES RELIEF IN TAX CUTS FORECAST

### Less Enthusiasm With Regard to Rumored Increase in Corporation Tax

### SOME RELIEF URGENT

### Western Farmers Receive Disbursement of $37,000,000 This Week From Grain Crops

The dominant issue in business at the moment is the prospect of federal tax reduction. The government has indicated its intention to extend relief in this respect. Such relief is a vital necessity to give movement to the wheels of business—to provide employment—to release funds for the purchase of goods and the extension of trade and industry. The most valuable action the government could take in this respect would be to abandon or at least reduce the surtax. The country looks forward keenly for such an announcement.

Attention was drawn in these columns recently to the possibility of the federal government increasing the corporation income tax and making reductions in the normal and surtax rates. Reports that this is contemplated still persist. It is now rumored that the corporation tax may be raised from 10½ to 13 per cent. to provide revenue lost through relief in the personal income tax. It has been intimated that this relief will consist chiefly in extending present exemptions.

Apart from what the reaction of business to an increase in the corporation tax would be, there is a growing popular clamor for a reduction in surtaxes. The corporation income tax last year yielded some $28,500,000. The raising of the rate to 13 per cent. would increase the revenue by about $7,000,000. Relief of this amount in the normal and surtaxes would be substantial, as the total raised from individual income taxes last year was only $25,657,335. The reduction would be nearly 30 per cent. Even the entire elimination of the surtax on individuals would cost the government only about $14,000,000, a small amount in revenue, but a large amount if released for business. This would benefit not the high salaried and high income group so much as the rank and file. It would provide employment for labor, would make possible a larger amount of spending on home requirements and would thus help retail business. On the other hand it is interesting that this suggested reduction is exactly the amount of decrease in this year's expenditures over last, as announced in the estimates this week. If the relief which the government contemplates is merely an increase in exemptions in the personal income taxes, it will not be of great assistance to business. With regard to the other suggested change, the increase in the corporation tax, the possible effect depends largely upon how much of the tax or of the increase could be passed on to the ultimate consumer and how much adjustment of profit figures goes on at the present time. Certain individuals with high incomes have in part turned their incomes into joint stock companies formed for the purpose and have thus escaped the whole or a large portion of the personal income tax. Such incomes would be affected by the proposed increase in the corporation tax. Although there was little apparent opposition to the corresponding change in the United States, it is felt that it would not be by any means so well received here, in view of the present heavy burden of taxes upon business. It was accompanied in the United States by very substantial relief in the surtax rate.

**$37,000,000 Grain Disbursement**

The distribution of $37,000,000 to the farmers of the prairie provinces by the wheat pools this week has both actual and psychological significance. This is a small portion of the total revenue from the grain crops concerned, which exceeded $700,000,000, but certain features are of special im-

(Continued on page 16)

### The Meanest Man

We have heard a lot of cases where reprehensible methods have been used in the sale of stock of dubious value, but the "hero" of the following incident could, we believe, clinch the first prize in the contest for the world's meanest man.

This high pressure salesman went to a widow recently bereaved and, representing that the deceased head of the household had been considering taking shares in his wonderful proposition, which would now bring remarkable benefits to the widow and her children, induced her to subscribe for $100 worth of stock. This widow, to whom every dollar represented 100 cents in food and clothing for herself and her children, had not the $100 in cash, and so the accommodating salesman agreed to take $25 down and $5 a month.

## *Is Automobile Industry a "Spoiled Darling"?*

IT HAS been pretty definitely intimated from Ottawa that the government is contemplating a substantial reduction in the duty on automobiles. Such a move would undoubtedly win popularity for the government in much wider circles than among the supporters of the Progressive party which is understood to have received certain assurances of action in this direction as the price of its support. The possible effects of the removal of that protection which has made the development of the automobile industry in Canada possible may be in danger of being overlooked. The opinion has become pretty general that the industry has more protection than it needs. Buyers of motor cars come to this conclusion when they compare prices and the idea has spread as the number of car owners has increased. Prospective owners have similar convictions.

But from the standpoint of the Canadian automobile industry, employing thousands of workers and distributing many millions in wages—together with many other millions contributed in taxes—The Financial Post is informed that such a cut in the duty as has been mentioned would be disastrous. It is definitely stated that at least SOME OF THE BIGGEST OF THE CANADIAN AUTOMOBILE FACTORIES WOULD AT ONCE CLOSE THEIR DOORS. The question arises whether it would be possible to work out some compromise, by reducing the duties on parts or raw materials or by other compensations, to permit of a reduction in car prices without injuring the industry.

Under all the circumstances it would seem that the whole matter should have very careful study before any decisive step is taken. If the manufacturers are, through combines, taking undue advantage of the tariff they should be proceeded against under the law; the Western fruit combine has just been convicted in the courts. If the present economic arrangement is not in the country's interests then the whole question of protection comes up for consideration.

It would seem to The Financial Post that, in view of all the circumstances, any proposal to materially change the established duties on automobiles should be one of the first matters referred to the tariff commission which the government proposes to appoint. This would provide an opportunity for the study of the whole question on economic grounds and free, let us hope, of the influences of party politics.

The attitude of the agricultural community, as reflected by the Progressives, in regard to lower duties on automobiles is readily appreciated. It is the same attitude as assumed in regard to agricultural implements. The automobile is no longer the luxury of the rich but a recognized part of the equipment of the average farm. Then, too, the farmers, particularly in Western Canada, can hardly be expected to fully appreciate the benefits of industry in the building up of urban communities, even though they are dependent on those urban communities to a very large degree for a market for their products.

At the same time the Progressives would seem to be damaging their case for lower duties with the Canadian public by the circulation of such propaganda as is being prepared by R. J. Deachman who refers to the automobile industry as "the spoiled darling of protection." His arguments to support this opinion indicate a lack of both understanding of, and sympathy for, Canada's industrial well being. Mr. Deachman states, for instance, that the excess price paid for cars by the Canadian people is enough to pay the wages on all cars produced in Canada. He would have the public assume that the whole difference goes to Canadian automobile manufacturers. He fails to show the extent to which the industry contributes to the upkeep of the country through the payment of taxes. The General Motors Company of Canada has issued a statement showing that in 1925 that company paid for duty on imported parts, sales excise and other taxes a total of $5,498,463, or a sum greater than the $5,187,859 paid to employees.

In addition to the benefits derived from the Canadian automobile industry in the form of wages and taxes, totalling more than $10,600,000 from one company—General Motors—much greater sums are spent in Canada with Canadian manufacturers for parts and materials. In the case of General Motors such expenditures were close to $10,000,000 last year. In addition this company paid $2,664,000 to the transportation companies, $1,200,000 to Canadian makers of tools, and $1,860,000 in the operation of distributing depots and branches. In all, this company distributed in Canada last year a total of $35,730,000, while during the same period the people of Canada invested in the company's cars $34,000,000.

**Creating Buying Power**

It must be apparent that the automobile industry is an important factor in creating wealth in Canada and in increasing the buying power of the Canadian people which is an important factor in relation to the consumption of other manufactured products as well as the products of Canadian farmers.

The Dominion Bureau of Statistics makes available figures to show that at the end of 1924 there were twelve automobile plants in Canada. These twelve plants represented a capital investment exceeding $60,000,000. They were employing at that time 9,277 workers, paying out an annual wage of $14,219,000, and making use of materials to the value of $64,000,000, in turning out motor vehicles to the value of $88,000,000.

**Leave it to Commission**

From any angle, legislation which may affect the prosperity or stability of an industry representing an investment of over $60,000,000, and providing a livelihood for 10,000 workmen, should be very carefully considered before it is put into effect. For this reason there would seem to be every justification for the stand that nothing should be done precipitously. The government has announced its intention of appointing a tariff board, to be composed of independent experts to advise the finance commissioner in regard to tariff matters. Such a body might quite properly devote itself to the study of this question of automobile duties as affecting the Canadian automobile industry. A policy which has permitted and encouraged great corporations, like the General Motors of Canada, to expand from a small wagon factory, should not be subject to radical changes in the tariff affecting their products without the consequences being fully understood. And there would seem to be reasonable doubt as to whether these consequences are understood and appreciated by those advocating an immediate and sweeping reduction—certainly they do not seem to be understood or appreciated by R. J. Deachman, whose propaganda is being sponsored by the Progressive Party.

### Toronto Skyscraper Project Now Nearer Completion

For several months negotiations regarding the proposed new skyscraper at the corner of King and Yonge Streets, Toronto, have been in a state of quiescence but recent events have brought negotiations to a head again and early announcement regarding construction and financing is expected. The Montreal interests who are behind the enterprise are likely to complete arrangements shortly regarding the use of space in the building by the Canadian National Railways and, when this is arranged, the project is practically assured of being carried through to completion.

Recently, it was stated in the house of commons, that no contract had been entered into on behalf of either the government or the government-owned railway for the use of space in the structure and this was actually the case at the time the statement was made. Since then progress has been made towards completion of a satisfactory arrangement between the interests behind the building and the government. It is understood that no change has taken place in the tentative financial plans, which provide for issuance on the Canadian and American markets of a bond issue. The name of a Toronto investment house is mentioned in connection with this.

## *How Prosperous is Canada?*

### Feeling Increases in Business Circles That Another Election is Necessary to Clear Air and Enable Government to Get on With Country's Business

### SENATOR CURRY SAYS QUEBEC VOTED ON DEAD ISSUES

THE desirability of another election to clear the air in national affairs and return a government with a working majority, in a position to get on with the nation's business, is being more and more generally recognized as the "stalemate" situation at Ottawa persists.

In endeavoring to answer the question, "How prosperous is Canada?" The Financial Post has discussed favorable and unfavorable factors in the situation. The improvement in business conditions is substantial, but it is not by any means general. Canadian manufacturers are not enjoying the measure of prosperity which would seem to be warranted by the greater buying power of the people and the movement of goods through the hands of retailers. In this connection it has been suggested that the political situation, heavy taxation, smuggling of foreign goods, increasing imports of foreign manufactures and the exportation of our raw materials, are factors which are preventing Canada from enjoying that measure of prosperity which agricultural and other fundamental conditions should justify.

In the following letter, the Hon. Nathaniel Curry, of Montreal, chairman of the board of the Canadian Car & Foundry Company and a director of a number of other industrial and financial companies, expresses the opinion that The Financial Post has correctly diagnosed the situation and urges another general election to clear the air. Senator Curry writes:

> In my opinion, you have correctly diagnosed our ills, but so long as a score of farmers control legislation at Ottawa and dictate the industrial policy of Canada, you cannot expect our ills to be cured. The potential wealth of this country is enormous; our agricultural lands, mines, forests, fisheries, and water powers, are not excelled in any part of the world. What we need, and must have, to develop our great resources is a business government at Ottawa; one that will give us an adequate and stable tariff, with a sound and energetic immigration policy. Such a government we would have now had, had the province of Quebec voted on the issues of the day instead of the dead and buried Military Service Act, and fairy tales about sending our young men to fight a war in Turkey.
>
> It is to be hoped another general election will take place this year, and that those who control public opinion in this province will advise the people to forget the past and vote on the issues of to-day.

## PRIVATE CAPITAL FOR DEVELOPMENT IN NEW BRUNSWICK

### Government Co-operates With Company to Develop Grand Falls

### BIG PAPER PROJECTS

### International Paper Company to Spend $40,000,000 on New Projects — Frasers to Build a New Mill

**From Our Own Correspondent.**

SAINT JOHN.—Involving an ultimate expenditure of $40,000,000 for the completion of contemplated development, plans are in the making for the harnessing of Grand Falls by the International Pulp and Paper Company, under agreement which is being negotiated by that company with the provincial government and Frasers, Ltd. This ends the scheme of development under public ownership and control, on which the Veniot government lost out in the New Brunswick elections, last fall.

In an interview granted The Financial Post representative, Premier Baxter confirmed the press reports of negotiations to date and stated that further progress in the matter would be duly presented in the legislative assembly.

Dependable storage was announced by Premier Baxter as capable of producing 40,000 horse-power. He said that the Veniot estimate of 60,000 horse-power was excessive, and was erroneous owing to the fact that there had not been sufficient data secured by the former government on the storage available in the State of Maine. The public ownership idea had been rushed through in a hurry without comprehensive surveys.

**New Fraser Mill**

An era of prosperity is forecast for the Northern and Central sections of New Brunswick under the Grand Falls and allied developments. The Frasers propose a paper mill at Campbellton, of 400 ton capacity, while the International Co. propose a paper mill on the Saint John river, of 200 tons capacity. Indications are that export of lumber in the raw will be greatly curtailed under the new regime and that New Brunswick will go in for the manufacturing of the products of the key industry in the finished form, paper.

While the International and Frasers will take for manufacturing purposes, a large proportion of the initial output of the Grand Falls, it is calculated that some electrical energy will be available for distribution, under a form of public control, for general use.

The expenditure of $40,000,000 is expected to reflect prosperity throughout the province and the feeling is crystallizing that New Brunswick will soon experience a return of good times, based on activities that will provide employment for an army of skilled workers. New money, larger home markets, more employment for skilled workers, are among the many benefits which are predicted as a result of the decision of the Baxter government to endeavor to have the Grand Falls harnessed without cost to the province.

### Government Would Get Out of Pulp Business

Replying to a question in the House, Ontario's Minister of Public Works stated that the Province of Ontario still owns the Campbellford pulp mill which is being operated by the Hydro Electric Power Commission. The government does not consider it in the public interest at the present time to state the results of the operation of this mill as the commission is contemplating the sale of the property.

## Will British Columbia Follow the Example of Ontario and Stop the Exportation of Logs?

### *Big New Industry to Result From Ontario's Policy*

The policy of the Ferguson government in Ontario in conserving resources for the benefit of industry within the province—in keeping with the idea of Canada for Canadians—will result in further important industrial development in connection with the placing on the market of 45,000 acres of the finest remaining hardwood in the province. This hardwood, valued at approximately $10,000,000, will be sold on the basis that it must be manufactured within the province. A big, new hardwood industry on the north shore of Lake Huron will be the logical result.

The big limit, consisting of finely matured maple and birch, is situated just north of Bruce Mines and east of Sault Ste. Marie. Unless the successful tenderer proposes to erect the huge mills involved at Bruce Mines, the opening of the area will result in the establishment of a new town.

In letting tenders the department will be guided not only by price, but by the advantage to the province and district of the tenderer's industrial proposals. Immense saw and planing mills are inevitable, involving the employment of many hundreds of men.

## INDUSTRIAL AIR IS BEING CLEARED IN NOVA SCOTIA

### Settlement of Besco Wage Contract a Constructive Factor

**From Our Own Correspondent.**

SYDNEY.—The adoption of the Besco-U.M.W. two year wage contract, even though only by a small majority of 201, is a double victory for the forces working for the industrial regeneration of the province. In the first place it probably marks the end of mass hostilities between the company and the miners, although some minor grievances will doubtless arise from time to time. In the second place, it marks the discomfiture of the Communists, O.B.U. organizers and others who have been working tooth and nail for weeks past to defeat it.

The smallness of the total vote was partly due to the action of O.B.U. leaders, who ordered sympathizers and secret members of the radical organization to refrain from voting, so as not to prejudice their court proceedings to recover $18,000 union dues which are also claimed by the U.M.W. But the main cause was the indifference of the rank and file of U.M.W. membership, who, while not entirely satisfied with it, considered that the pact would carry anyway, and did not want to seem too enthusiastic about it by according the contract the tribute of a big turnout at the polls. Union officers also failed to pay sufficient attention to the house-to-house canvass that was made against it in many sections.

The vote against the contract was due partly to dissatisfaction with certain wage decreases, and partly to a desire to retain the medical check-off. There is a possibility that this may still be continued through negotiation with the company. In spite of the smallness of the majority in favor of the contract, it is believed the miners as a whole will now go to work under it without further trouble.

With wages stabilized for the next 24 months, the corporation agents can now go out with confidence to sign up customers' contracts. Many signs of activity point to a prosperous summer in the coalfields.

Vice-president McLurg admits good orders are being received, and construction crews are even now actively engaged in building a railway spur to the new mine at Dominion which is being opened to tap the famous Gardiner seam. Increased activity at the Dominion Coal Company shops and elsewhere all points to anticipation of a busy season.

### Dominion Stores' Quota is Fifty New Stores

Dominion Stores' 1926 expansion program aims at the opening of about 50 new stores this year. This quota is rather elastic; it may be increased or may be curtailed, depending on conditions. A New York report quoting Pres. R. Jackson that the sites for the 50 stores have been arranged for, is not quite correct.

A statement of the company prepared recently shows the increased revenue of the system has resulted not only from the general expansion operations, but also from the increased sales of individual stores. Gross sales for the first two months of this year were $2,130,775, as compared with $1,705.322 for the corresponding period of 1925. This is an increase of 24.9 per cent., which was considerably more than the increase of 8 per cent. in the number of stores over the same period.

### Article in The Financial Post Starts Discussion at Coast

### U.S. GETTING BENEFIT

### Plans Being Laid for Big Shipments to American Mills—Old Restricting Act Has a Joker in It

**From Our Own Correspondent.**

VANCOUVER.—Intimation in The Financial Post that it was the intention of certain United States interests now in control of extensive timberlands in northern British Columbia to raft their logs direct to mills in Washington and California, has aroused considerable interest on the coast, where sentiment opposed to the exportation of raw resources is rapidly growing.

As a result of the stir, statutes are being quoted to show that the British Columbia government, if so disposed, could block the plans of the pulp corporation. If the government is satisfied that the logs could be marketed satisfactorily for manufacture in British Columbia, the law may be invoked to prevent the export. Otherwise, millions of feet of logs will be shipped annually from the spruce forests of Queen Charlotte Islands to the United States in their raw state, the profits of manufacture to be derived exclusively on the American side of the border.

Twenty years ago this province passed a law providing cancellation of leases and licenses as a penalty for violation of regulations preventing the export of logs, but some time afterwards a clause was inserted making it possible for the government to permit of certain exceptions at it saw fit. This clause is regarded as "a joker" as it leaves enforcement of the law anything but arbitrary.

As a safety valve, the export of logs, to a very limited extent, may be quite a desirable thing, in the opinion of those who have studied the question closely. But to have American capital come into this province, cut the timber and ship it in rafts to pulp mills or sawmills in the United States is quite a different thing, and it is contended that in the particular case under discussion there is no emergency and no excuse for allowing such timber to go out.

"Our policy should be to have the manufacturing, to the last possible degree of completeness, take place in British Columbia," says the Vancouver Province in commenting on The Financial Post article. "The work should go to British Columbia workmen and the mill profit to those who have the courage to build saw mills or pulp mills on our coast. Before a log is allowed to go out, those in control should be very certain that the advantage of the export lies principally with British Columbia, not with the workmen and capitalists south of the international boundary. To adopt any other policy is to stand in our own light and to place ourselves in a position where we shall be, not the masters of our fate, but the victims of exploitation."

### Dunning Agrees With Beatty as to Railway Merger

REGINA.—"There will be no move to form one great railway monopoly in Canada, as far as I am concerned, until the people of the Dominion give a clear indication that this is their desire," declared Hon. Chas. A. Dunning, minister of railways, following his election by acclamation as federal member for Regina constituency.

"It is my job to build the Hudson's Bay Railway, and I am going to do it," he added.

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REAL ESTATE BONDS

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# *The Trend of Business and Industry*

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

## Advertising Contributes to Drop in Distribution Costs

### Increases Demand and Hence Output Making Mass Production Possible—Also Raises General Standards of Living

**Fourth Article in series on Present-day Marketing Problems**

DOES advertising raise or lower the cost of living? Who pays for advertising ultimately? Is it economically necessary? An important business conference recently held in Washington found it decidedly beneficial, and declared it economically necessary. The delegates were not advertising firms. They were not newspaper men. They were manufacturers and retailers.

THE layman is frequently amazed when he learns the cost of our modern advertising. It is not at all unnatural that he should ask who pays for all this and whether or not it is economically sound or necessary. No one will deny that it must add to the cost of goods. Unless it deducts more, ultimately, than it adds, it is economically unsound.

Two viewpoints must be taken into account. One is that of the general public; the other is that of the advertiser. Broadly speaking, it would seem that where the advertising creates an increased demand for products of a certain class, and hence lowers production costs, its value is obvious. Both the public and the advertiser benefit. But where a market is definitely limited — where no amount of advertising will increase the consumption, the benefit is less evident. On the surface, it would seem that an individual advertiser might often find his advertising profitable to himself by taking the business away from another manufacturer. At the same time such advertising might not seem to benefit the public who, in the end, must pay for it.

Aggressive salesmanship must at the outset be taken for granted. Under competitive business each manufacturer is going after all the business he can get. The cost of his product actually depends to a very considerable degree on his output. He must have distribution, and such distribution is going to be more or less expensive. The problem then is—will these distribution costs, which cannot be eliminated, be increased or decreased by advertising?

### Results are the Only Test

The automobile industry in the United States and Canada is one of the best examples of what can be done, and what is being done, by advertising. "It has offered the lure of the seashore and mountain and winding road. It has expatiated on the thrill of speed and the healthfulness of fresh air. It has made people want automobiles. It has made them want them in such tremendous quantities that their development in the last quarter of a century has been one of the world's wonders. By increasing the market, advertising has unquestionably lowered both the selling cost and the manufacturing cost for the car manufacturer. In the healthful competition that has resulted, the public has profited tremendously in that cars now sell, quality for quality, at a mere fraction of what they sold for a few years ago. And all this in spite of the increase in the cost of raw materials and in wages." The quotation is from the reports of the National Distribution Conference, recently held at Washington, where this subject was discussed.

But is some other manufacturer losing when his competitor is increasing his sales in this way? The example of gasoline may be cited. Many competitive firms are advertising gasoline without increasing the total quantity used by a single gallon. The answer is that the large companies find advertising necessary to maintain and increase their percentage of the total gasoline used. Small companies find it necessary in order to get even a small shape of the total business. Without the advertising it would have meant more personal selling and more intensive selling. Furthermore, with no advertised brands to protect the public there would probably have been an increased output of inferior product.

This is illustrated also by the sale of food products in packages, with a responsible name behind them. Such a practice guarantees to the consumer a uniform product of quality. Quality is assured in much-advertised products for the simple reason that inferior goods do not bring re-orders and it is therefore unprofitable to advertise them.

### Advertising Shows Tangible Results

While money has undoubtedly been spent on advertising without results, effective advertising by national distributors does one or more of the following:

**1. Decreases the cost of selling.**
**2. Lowers the cost of production on account of increased volume.**
**3. Lowers prices to the consumer and thereby raises the standard of living.**
**4. As a by-product, aids in the education of the general public.**

Data were obtained from a number of national advertisers for the Distribution Conference at Washington to show what effects advertising has

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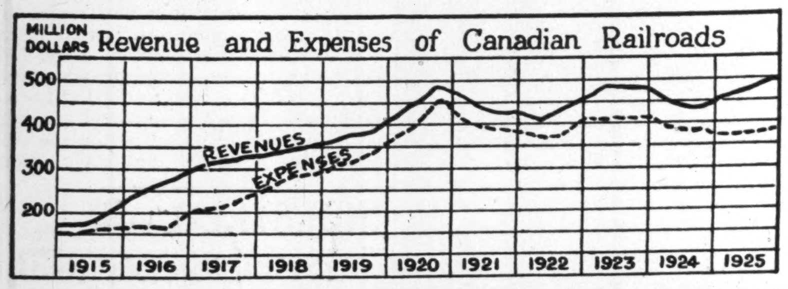
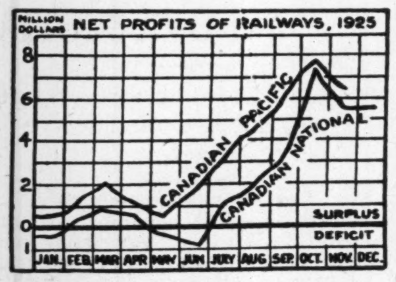
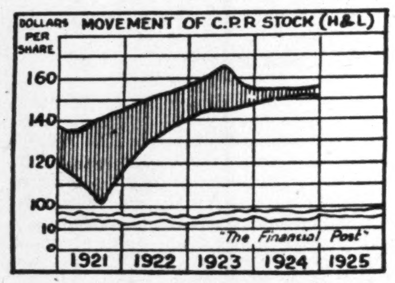
## Railway Progress Reflects Upward Trend of Business

### Earnings on Both Large Roads Make Record for Decade—Excellent Showing Impossible Without Some General Trade Improvement

The position of the two leading Canadian railways—an accepted barometer of business conditions—is decidedly better than a year ago. Net operating earnings of the Canadian National Railways were almost double the 1924 figure, and were the best on record. Earnings of the Canadian Pacific Railway were the best since 1917 and were exceeded only twice in the history of the road.







It will be recalled that 1924 was a disappointing year in many respects. There was a general reduction in traffic resulting from depressed industry. Western crops were greatly reduced. A policy of improvement in equipment and rolling stock was carried out in 1923 and 1924, however, and the roads were placed in a more favorable working position for 1925 business. Improving industrial conditions and a bumper crop in the West gave the roads just what was needed to place them in a much improved condition. As a result, operating revenues of the Canadian National were up some $9,000,000 to a total of $244,971,202 against $235,588,182 the previous year. Expenses dropped about $6,000,000 so that net earnings soared $15,020,000. The operating ratio shows a favorable decline as a result, and at the end of 1925 was 86.83 against 92.68 the year before.

Meanwhile the Canadian Pacific showed an increase in gross earnings, lowest working expenses since 1918 and highest net revenue since 1917. Net revenue from railway and steamship operation was $21,210,315 against $18,663,614 the previous year. Gross earnings were $183,356,000 against $182,502,000, and working expenses were reduced from $145,274,914 to $143,201,230. Earnings were 12.5 per cent. on common against 11 per cent. in 1924.

January figures show that the improvement is being carried on into the current year at an even increased rate. Canadian Pacific net profits were larger than they have been for nine years, and were exceeded only twice in the company's history. Gross earnings are $1,500,000 ahead of January a year ago. Operating revenues of the Canadian National Railways for January were $18,055,921 against $16,716,468 the previous January. Operating expenses were marginally lower so that net earnings were $1,364,838 above the corresponding month a year ago. The gross operating revenue of the two roads in January was $31,227,000 against $28,305,000 for last January. Revenue freight carried by all the Canadian roads this year to the end of February was 441,864 cars against 419,766 for the same time last year. This is an increase of more than 5 per cent. If anything like this ratio of increase is kept up 1926 will be a good railroad year.

All this has a direct bearing on the business of the country. Whether it be considered cause or result is immaterial. The fact of importance is that the railways cannot prosper unless the country prospers, and the progress of the roads registers the gradual business improvement in progress.

Operating revenues and expenses of the two roads for the last two years were:

CANADIAN NATIONAL RAILWAYS

| | 1924 | 1925 |
|---|---|---|
| Oper. Rev. .... | $235,588,182 | $244,971,202 |
| Oper. Expense | 218,343,931 | 212,706,787 |
| Net Earnings . | 17,244,251 | 32,264,414 |

CANADIAN PACIFIC RAILWAY

| | 1924 | 1925 |
|---|---|---|
| Oper. Rev. .... | $182,502,156 | $183,356,006 |
| Oper. Expense | 145,274,914 | 143,201,230 |
| Net Earnings . | 37,227,242 | 40,154,776 |

## Dumping Clause to Check Australian Butter

OTTAWA.—Shipments of butter from Australia within the past few days have been accepted upon payment of a duty of four cents per pound. This duty represents one cent per pound under the Australian treaty, and a further duty of three cents on each pound under the dumping clause.

Imposition of the extra duty of three cents under the dumping clause is being made, pending an investigation to determine whether the home consumption price of butter in Australia is in excess of 5 per cent. over the price at which Australian butter is sold to producers in Canada. The investigation now being conducted follows the reported payment of a bounty in Australia of six cents per pound upon all butter exported to Canada.

## Canadian Business Indicators

INDUSTRIAL

| | 1926 | 1925 |
|---|---|---|
| **Car Loadings—** | | |
| Week Mar. 6 | 53,663 | 51,592+ 4 % |
| Year to date | 495,527 | 471,358+ 5.1% |
| **Grain Receipts—** | | |
| Aug. 1 to Mar. 5 | 321,335,640 | 200,213,180+60.5% |
| **Building—** | | |
| 2 months | $11,623,840 | 10,885,196+ 6.8% |
| **Railway Earnings—** 12 Months— | 1925 | 1924 |
| C. P. R. | $183,356,005 | $182,502,156+0.4% |
| Oper. Exp. | 143,201,229 | 145,274,914—1.4% |
| Net | 40,154,775 | 37,227,241+7.8% |
| 12 Months— | | |
| C. N. R. | 244,971,202 | 235,588,182+ 3.9% |
| Oper. Exp. | 212,706,787 | 218,343,931— 2.5% |
| Net | 32,264,414 | 17,244,251+87.1% |
| **Pig Iron Output—(tons)** | Jan., 1926 | Dec., 1925 |
| | 56,644 | 54,889+ 3.2% |

FINANCIAL

| | 1926 | 1925 |
|---|---|---|
| **Bank Clearings—** | | |
| February | $1,317,595,039 | $1,090,429,439+20.8% |
| **Savings Deposits—Chart. Banks—** | | |
| January | $1,316,288,358 | $1,249,622,592+ 5.3% |
| **Current Loans—By Banks—** | | |
| January | 869,591,897 | 910,697,141— 4.5% |

COMMERCIAL

| | 1926 | 1925 |
|---|---|---|
| **Balance of Trade—** 12 months, Jan. 31— | | |
| Imports | $1,292,815,351 | $1,076,256,159+20.1% |
| Exports | 901,627,988 | 799,952,015+12.7% |
| Balance | 391,187,363 | 276,304,144+41.6% |
| **Wheat, No. 1 Nor., Winnipeg—** | 1926 | 1925 |
| | Mar. 15 $1.51¼ | Mar. (Av.) $1.76 |
| **Cattle—(Good, Toronto)** | | |
| | Mar. 15, $8.25 | Mar. (Av.) $7.44 |
| **Hogs—(Select, Toronto)** | | |
| | Mar. 15, $12.75 | Mar. (Av.) $13.41 |

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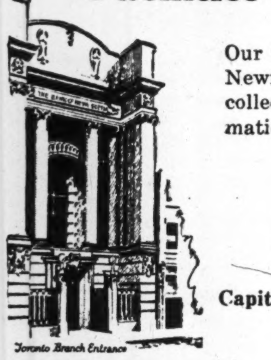
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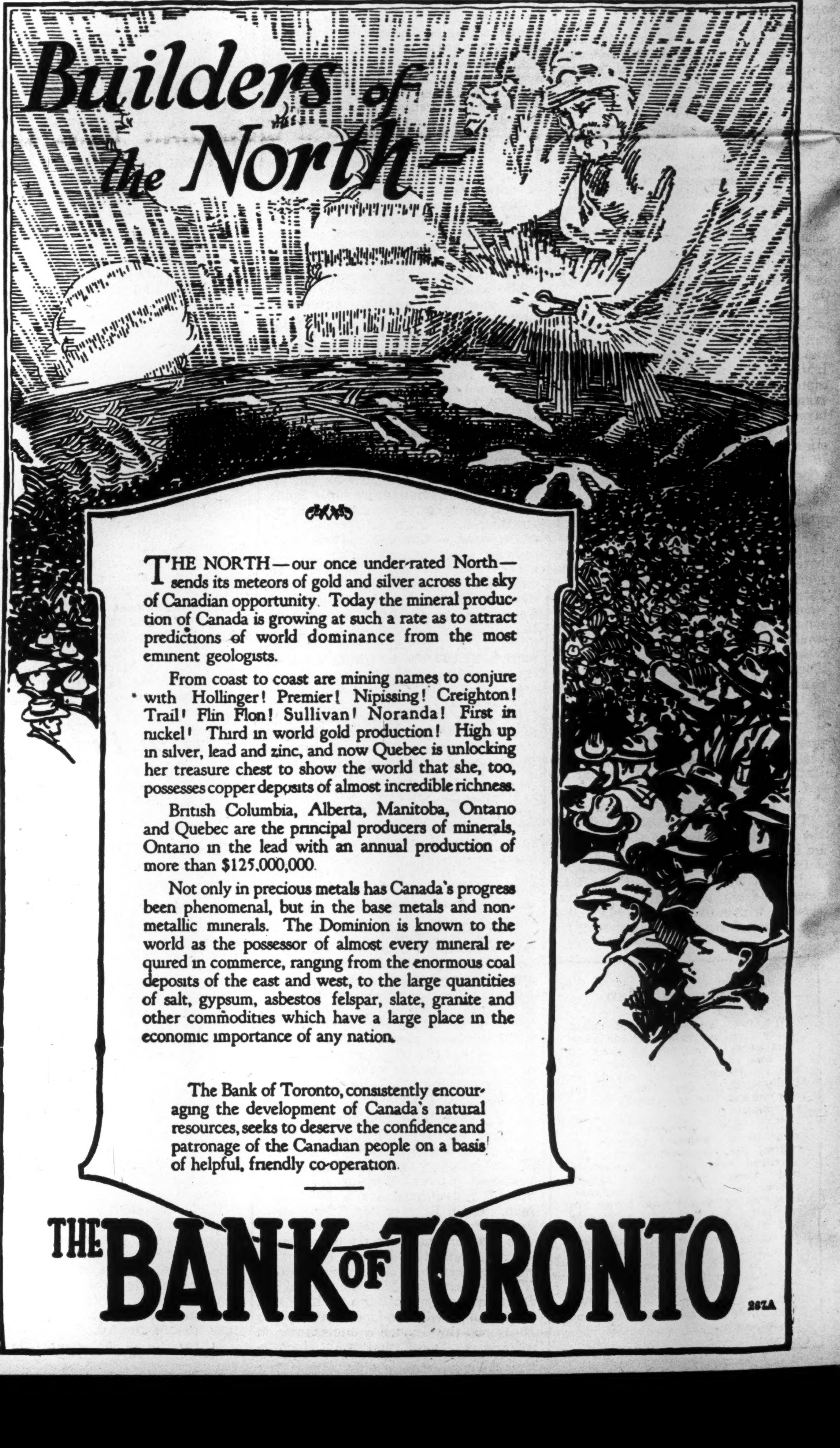

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British Columbia, Alberta, Manitoba, Ontario and Quebec are the principal producers of minerals, Ontario in the lead with an annual production of more than $125,000,000.

Not only in precious metals has Canada's progress been phenomenal, but in the base metals and non-metallic minerals. The Dominion is known to the world as the possessor of almost every mineral required in commerce, ranging from the enormous coal deposits of the east and west, to the large quantities of salt, gypsum, asbestos felspar, slate, granite and other commodities which have a large place in the economic importance of any nation.

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THE BANK OF TORONTO

# 17% OF ALL GOODS NOW BEING SOLD ON PART PAYMENT

## Volume of Instalment Business is $5,000,000,000 Annually in U.S.

WASHINGTON—The rapid growth of instalment selling which has now reached a peak of $5,000,000,000 annually is reflected in a preliminary survey made by the Department of Domestic Distribution of the Chamber of Commerce of the United States.

The department estimates that 17 per cent. of the entire amount of consumer goods sold at retail are disposed of in this manner and the trend is still upward. It finds, however, that information concerning the extent and character of the practice is too meager to justify a conclusion as to whether it is an economic menace or a legitimate credit development.

The Farmers' Loan & Trust Co. estimates that $3,293,411,878 worth of automobiles, washing machines, vacuum cleaners, phonographs, furniture, pianos, jewelery and radio apparatus are sold on the instalment plan. The General Motors Acceptance Corporation's operations for its seven years of existence totalled $509,250,454, with a loss ratio for 1925 of only .012 per cent.

It is found that, outside of the trades in which it is an established practice, instalment selling shows an increase in the clothing and radio trades and that in others, hardware and paints and varnish, its introduction has been strongly resisted.

"Where such large sums are involved as the credits represented by $5,000,000,000 annually," says the report of the Domestic Distribution Department, "it was inevitable that some form of financial aid would be evolved and it is found now in the organization of large numbers of so-called finance companies or commercial credit companies which were organized first as an outgrowth of the immense increase in the production of automobiles. At a meeting in December, 1924, three hundred companies representing 90 per cent. of all automobile financing, were organized as the National Association of Finance Companies."

No accurate statistics as to the number of such companies are available because the increase has been too rapid. Many are purely local or are used only in the sale of one particular device, and they appear and disappear with great frequency.

The report continues:

"It is asserted further, that the credit companies perform a service for the banks in the supervision and collection of small sums which, heretofore, there has been no means of discounting in the United States, although, for example, in France it is possible to negotiate loans on accounts even so small as one dollar.

"A principal objection to instalment sales has been based upon the added cost to the consumer of merchandising bought in that way. This, however, involves the question of turnover so far as the business of the retail merchant is concerned and it is maintained by those who follow the practice that the price is not necessarily increased if the accounts are good, and this form of selling is not overdone.

"More or less prejudice has been created against the practice because of the methods adopted by a good many of the early instalment houses. Further experience with the practice has shown that when confined to articles of considerable unit value and of more than temporary usefulness, it is not an improper amplification of the credit idea and enables thousands of people to benefit by the ownership of articles which if procurable only by an immediate single payment they never could have hoped to possess. For example, the apparent family income which justifies the ownership of a vacuum cleaner has declined until the minimum seems to be regarded as from $2,000 to $2,500 a year.

"When applied to the purchase of really useful articles, the instalment plan is almost in the nature of a savings device and not necessarily an encouragement of improvidence as maintained by most economists until within the past few years.

"As the least desirable form of instalment selling we have the small establishments where there is an apparent willingness that customers shall fail in their payments in order that the merchandise may be repossessed and resold as new by concerns conducting that kind of business. At the other extreme is the large reputable department store in which only legitimate sales are contemplated, with a frequently manifested desire to accommodate their patrons in every manner possible. Between these are all degrees of collection methods, from weekly or monthly visits at the homes of customers to voluntary calls or payments by mail by customers of reputable firms.

"It must be obvious that any distributor who adopts the instalment plan for the sale of selected articles of merchandise should not burden his ordinary cash customers with the prices charged under the instalment plan. There should be a material difference in price between the two classes of merchandise, since the expense attending the sale of cash merchandise is considerably less than that attending the sale of merchandise on the instalment plan."

### PRICES RECEDE SLIGHTLY

Prices of commodities have begun to recede slightly, according to the index number of 236 commodities kept by the Dominion Bureau of Statistics. The index stood at 162.2 as against 163.8 in January. Vegetables and their products fell somewhat because of lower levels for grain, flour, potatoes and rubber. Animals and their products dropped marginally. Non-metallic minerals rose slightly mainly because of the increase in the price of gasoline.

The net change is not substantial, nor is any radical change to be expected at this time of year.

### SHEEP INDUSTRY THRIVING

Twenty-six thousand lambs were exported from Canadian livestock yards and abattoirs during 1925, as compared with only 9,000 in the previous year. In addition, over 1,500,000 pounds of mutton and lamb were exported, as against less than 200,000 pounds the year before.

### Automobiles Sold on Credit Reach Total of $3,000,000,000

NEW YORK.—Automobiles valued at more than $3,000,000,000 were sold on the instalment plan during 1925, it is shown by a survey made public by the American Bankers' Association Journal. The customary plan was to collect one-third cash, leaving $2,000,000,000 as deferred payment.

C. C. Hanch, general manager of the National Association of Finance Companies, who prepared the survey, said that so far the automobile paper had been sound, but he added that "during the past year, due to competition, there has been a tendency to depart from the usual or standard terms. In addition, pressure by certain manufacturers has forced the dealer to bid for the smallest down payment and the longest terms. These practices, if extended, will seriously affect the favorable loss ratio which has been experienced under standard terms of payments.

# Employees Go Bargain Hunting on Passes Added to Taxes

## One of the Privileges Enjoyed in Railroad Towns Which is Difficult to Deal With Because of Patronage System

The people of Canada have put up millions of dollars in taxes to cover deficits in connection with the operation of the Canadian National Railways. Yet we find in various centres throughout the country waste going on where railway shops are located, as represented by the accompanying article. Where employees and their wives travel by rail free of charge, somebody has to pay the shot—and that somebody is the Canadian public in general.

"Why should this be the case?" asks Canadian Grocer. "Is there any reason that a taxpayer in Wetaskiwin, Alta., or Kentville, N.S., should help pay the railway fare of Mrs. Jones, in Stratford, Ont., or Mrs. Brown, of Chatham, N.B.? Men who work in a coat factory do not get their wives' coats for nothing, nor do salespeople in a dry goods store get their dresses for nothing. Why should the wife of an employee of a government-owned railway get her railway fare paid by the people of Canada?"

In certain centres in Canada merchants are faced with an exceedingly annoying problem where railway shops are operated and where the employees of the railway are given free passes to almost any place they want to go.

Canadian Grocer finds that while the merchants of these centres do not complain so much, public spirited men of the towns and cities feel that the free pass system is working a great hardship on the community. This is because the merchants are losing so much business to outside centres since an employee of the railway shop, or his wife, may jump on the train in the morning, visit some larger point and come back at night with goods that often could have been bought for the same money or less. Sometimes the seating capacity of entire cars is almost taken up with this type of passenger.

Stratford, Ont., is a case in point. Here, the shops of the Canadian National Railways owned by the government of Canada are located. This company, despite the fact that its deficits are being paid by the country as a whole, permits not only employees but the wives of employees to travel free, providing the man himself has been working in the shop for a certain number of years.

Each employee can usually get five or six passes for trips out of Stratford each year by making application for them, no matter how long he has been there.

When a man has been employed for fifteen years or more he gets a permanent pass that can be used by himself or his wife. One report referred to a couple who had secured a free trip to California and back.

There are over 1,000 on the C.N.R. payroll in Stratford, and a large percentage of the employees are men who have been there for more than the fifteen years. This means that an employee or his wife can go to Toronto or any place else at no expense whatever. Saturday is the big day, as this is a holiday in the shops. They can do as much or as little of their buying out of town as they want to and carry home their parcels at no cost. That they are doing it is evidenced by sights that any one can see almost every evening and especially on a Saturday evening as the trains pull into the city. One Stratford woman who is loyal to the home town and who recognizes the importance of local trading told that there are times when a railway coach looks almost like a baggage car, so many parcels are being brought home. Many women, she claimed, have the idea they can purchase so much better in Toronto or somewhere else, when they actually lose money. She stated an instance of a feminine acquaintance who had bought a rug in Toronto. The two later went into a Stratford store and found exactly the same rug at $4 less money. Another case was cited where a local merchant was charging $50 for bed springs and a mattress that were $55 at a big store in Toronto. One woman whose credit is not good for more than $15 in her home town and never pays cash goes out of town every month on buying trips. A Stratford resident told of one man who travels to London every Saturday morning to buy his butter. Another woman goes to Kitchener to deal at a self-service chain grocery store. She gets her canned tomatoes, pork and beans, and corn a cent or so per tin cheaper. Once last year a large number of Stratford people went to London to see a game. Several employees of the Canadian National Railways were on board. Coming back a special train had to be requisitioned. Passes were no good on the special and the conductor collected $76 return fares from those who had gone down without paying and who occupied two cars. The railways, too, lose in freight and express when goods are carried home.

**Lose Huge Business Every Year**

One business man contended that an average of at least $5,000 was taken out of Stratford this way every week. This would amount to a quarter of a million dollars a year.

As intimated above, the merchants of Stratford do not complain. The information given here was secured from public spirited residents who hold that the government through the Canadian National Railways has no right to permit such free uses of railway passes. It would be quite all right, they contend, if only the employee himself could travel on the pass. It prevents strikes perhaps. But when his wife can use it and since she can take a trip any day in the week, it simply throws open every store in outside centres to the women buyers of Stratford at no transportation expense and does not give the local merchant a fair chance.

Some may say it is the local merchant's own fault if he loses this business. This is no doubt partially true. Good stores, bright store fronts, proper advertising, fine window displays, fair prices, business merchants and courteous clerks are real assets in keeping business at home. But apart from all these things, women of a roving disposition always want to go somewhere else if they can get there at no expense. They like to tell about their alleged "conquests" in some store somewhere else.

**Citizens Depend on the Merchants**

In centres of population where there is a community spirit being developed it is usually found the merchants are the backbone of it. This is true in Stratford. A definite plan has been mapped out in this city for the beautifying of it and making it a more pleasant place in which to live. This plan includes parks along the river's edge, bathing beach, driveway,, artificial islands, grass, flowers, the planting of trees and a bird sanctuary. Merchants of Stratford have taken a keen interest in this development. In spite of this there are many Stratford citizens who go to these other centres to do much of their buying.

### FARM LAND VALUES

OTTAWA.—The average value of occupied farm lands for Canada as a whole, including both improved and unimproved, as well as dwelling houses, barns, stables and other farm buildings, was $38 per acre in 1925, as compared with $37 in each of the two preceding years, according to a report of the Bureau of Statistics. By provinces the averages are as follows, with the preceding year's values given in brackets: Prince Edward Island, $45 ($40); Nova Scotia, $37 ($33); New Brunswick, $34 ($37); Quebec, $54 ($53); Ontario, $67 ($65); Manitoba, $29 ($28); Saskatchewan, $24 ($24); Alberta, $26 ($25); and British Columbia, $88 ($96).

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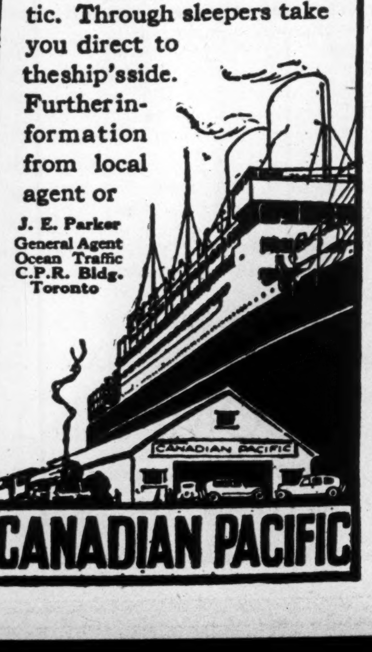

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# *The Securities Markets*

## THE MARKET HAS DONE BETTER IN THE PAST WEEK

### Further Adjustments But Prices Have Held Firmly

**Market Indicator**

| 20 Industrial Stocks | High | Low |
|---|---|---|
| Week of Mar. 17 | 93.0 | 90.2 |
| Week of Mar. 10 | 92.5 | 86.0 |
| Mth. of Mar., 1925 | 75.6 | 68.3 |
| **9 Bank Stocks** | | |
| Week of Mar. 17 | $226 | $225 |
| Week of Mar. 10 | 225 | 224 |
| Mth. of Mar., 1925 | 208 | 204 |
| **10 Public Utilities** | | |
| Week of Mar. 17 | 95 | 93 |
| Week of Mar. 10 | 95 | 93 |
| Mth. of Mar., 1925 | 85 | 81 |

While there has been lacking in the market any very definite trend, following the general decline which came after the New York slump assumed the proportions of a debacle, prices have been firm to higher and the week has seen a majority of gains over losses. Students of the market situation feel there is still something to be done in the way of adjusting values, with New York endeavoring to find a solid basis for values, and this may result in further declines as well as advances, before a definite trend is established. It is argued that this trend will be a resumption of the downward movement from the high level still prevailing. On the other hand, it is being pointed out that general business prosperity has not been affected, that there is plenty of money for both industrial and stock market operations and that under these circumstances a general bear market is not justified. Certainly there would appear to be every reason to believe that Canadian industrial companies generally will do better in 1926 than they did in 1925—the question to be settled is the extent to which this improvement has already been discounted.

American business forecasters hold divergent views as to the future of the Wall Street market—and Wall Street always has its bearing on the Canadian markets. The Harvard Economic Service sees the present adjustment as a restorer of healthy market conditions to be followed by an advance. The money situation is mentioned as the chief argument in support of this view. On the other hand, Moody believes that the recent slump will be followed by a further decline, pointing out that experience shows that in the past such slumps have usually been only 53 per cent. of the movement of which they have been a part. Hayden Stone & Co. sum up the situation as follows:

> It is hardly to be concluded that the stock market readjustment has been in all cases completed, although any further corrections should have a less spectacular result and should relate more to individual issues. It is as important as ever to confine commitments to stocks of unquestioned merit, particularly as real values are now in a better position to attract attention than at any time in a number of months past.

Generally speaking Canadian investors will be well advised to follow the course of exercising care in taking on new investments while the tendency to change from common stocks to tested preferreds or bonds will no doubt continue among the more conservative.

**The Week's Changes**

Changes in the Canadian market as the result of the week's trading are summarized as follows:

| | Gains | Loss | Unch. | Total |
|---|---|---|---|---|
| Banks | 3 | 3 | 3 | 9 |
| Paper | 8 | 2 | 2 | 12 |
| Steel | 9 | 5 | 2 | 16 |
| Foodstuffs | 11 | 10 | 6 | 27 |
| Utilities | 6 | 6 | 5 | 17 |
| Tractions | 5 | 2 | 3 | 10 |
| Textiles | 2 | .. | 4 | 6 |
| Industrials | 13 | 16 | 4 | 33 |
| Totals | 57 | 44 | 29 | 130 |

Consistent strength has been shown during the week in the paper group with the majority of the stocks holding their own or showing small advances. Abitibi, Brompton, Laurentide, Spanish River and St. Maurice were all fractionally, to a point, firmer. Wayagamack and Price were unchanged. Howard Smith gained five points to 50. Provincial was fractionally easier. Generally speaking the conditions in the industry are regarded as favorable with increased production being well taken care of. Production and export figures are regarded as satisfactory.

Steel of Canada, as the leader in the steel group, has held steady without material change, but the majority of the changes during the week have been to higher levels. Besco first preferred gained a couple of points, but the common was off fractionally. Canadian Car common lost a point, but the preferred gained to the same extent. Canada Foundries gained two points to 49. General Electric preferred was easier. Dominion coal was strong, gaining two points to 45. Dominion Bridge sold off a point to 95. Ontario Steel was stronger at 73½. Massey-Harris common, after being listed at 40, gave a spectacular performance. Steel of Canada preferred sold higher at 118½.

In the milling section of the foodstuffs group, Ogilvie, Maple Leaf, International Milling, Western Canada and St. Lawrence were all easier without experiencing any severe breaks. Atlantic Sugar preferred and common both sold higher but the rights faded away. B. C. Fishing sold off a point. Canadian Canners issues were strong. City Dairy gained a couple of points. Shredded Wheat was a little lower.

Utility stocks were generally steady. Bell Telephone was stronger selling at 104½, but Consumers Gas sold off to 179. Laurentide Power sold off a point, but Montreal Light Heat and Power advanced to 218½, for a gain of 4½ points. Quebec Power and Shawinigan were both a little higher. Of the tractions, Brazilian commanded tre bulk of attention with very little change of price. Barcelona gained a point. Duluth-Superior dropped five points. Twin City declined to 73.

The textile stocks showed practically no change with the exception of Converters which sold up to 92½ from 90. In the general industrials, American Salesbook was easier and Asbestos gained 4 points; Crows Nest Coal sold lower at 69; Pacific Burt gained to 100; Sherwin-Williams was easier at 128½; Woods Manufacturing gained 3 to 41.

The banks stocks were generally steady with little change in price with the exception of the Bank of Nova Scotia which sold up sharply to 300 for a gain of 10 points for the week.

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Sterling Appraisal Co. Limited
9-11 E. Wellington St., Toronto

## Kelvinator's Orders More Than for Whole of 1925

Kelvinator of Canada, Ltd., has moved its entire office and operating force into the recently acquired plant at London. Considerable progress has been made in the balance of the factory in connection with the lay-out necessary for the schedule of production. Materials are en route which will complete the operating equipment for the initial production program and provide sufficient raw material stock.

Further good progress has been made in connection with the sales organization, district sales managers now being in the field sufficient to cover the whole Dominion.

Inquiries have been received in response to the advertising program which indicate a wide interest, both from consumers' standpoint and from the standpoint of the new distributor and dealer organization. Very substantial orders have been booked from the ice cream manufacturers for ice cream cabinets. A number of contracts for installations in apartment houses have been closed, ranging from 25 to 68 Kelvinators.

Business has shown marked increases over the previous year. Shipments of Kelvinators already made, and orders on hand at this date, aggregate more than were sold in Canada during the whole 1925 season.

## Railway Earnings

**Canadian Pacific Railway**

| Week end.: | 1926 | 1925 | Change |
|---|---|---|---|
| Mar. 14 | $3,017,000 | $2,885,000 | +$132,000 |

**Canadian National Railways**

| Week end.: | 1926 | 1925 | Change |
|---|---|---|---|
| Mar. 14 | $4,722,305 | $4,284,779 | +$437,526 |

# *Food Products*

## EASTERN CAPITAL FOR B.C. FISHERIES

### Gosse-Millerd, Ltd., Will Market a Block of Stock and Extend Ownership

From Our Own Correspondent.

VANCOUVER. — With the big packing plants more solidly entrenched than ever, with higher prices prevailing and supported by favorable market conditions last year, fishing operations off the British Columbia coast this year will probably be more intensive than ever before, and armed with this prospect the government is planning to bring down regulations providing for longer weekly closed periods and a shorter yearly season.

In view of the gradual exhaustion of the salmon resources on some of British Columbia's most important rivers the government is determined to insure the adequate seeding of the spawning grounds for succeeding seasons.

Meanwhile further expansion in the fishing industry is announced following the successful merger of the B. C. Fishing and Packing Company with the Wallace Fisheries.

Gosse-Millerd, Ltd., one of the largest of the independent fish packers in British Columbia, which incidentally ranked second in salmon output last year, is reorganizing with a view to widening the circle of its stock ownership. Until recently the ownership and management has been restricted to Captain Richard E. Gosse and his family. Under the new plan a large block of Gosse-Millerd stock will be sold to Eastern interests, and the new capital thus acquired will be invested in the establishment of new canneries and the building of more floating equipment.

## Third Flour Exports Sent by U.S. Ports

The total volume of wheat flour exported during the seven months ended February, was somewhat lower than the total for the same period last year, being 6,179,104 barrels against 6,180,674. The value was also marginally lower, $41,306,364 against $42,134,319.

The quantity of flour shipped to the United States at present is almost negligible. Great Britain is the largest buyer, having taken $12,421,421 worth during the period under discussion. About $9,000,000 of this is shipped via Canadian ports and the balance through United States ports. A total of $28,813,754 was sent to countries other than the United Kingdom and the United States, and $16,649,137 of it was shipped by way of Canadian ports. In other words, of the total amount of flour shipped to countries other than the United States, more than 37 per cent. is shipped out of United States ports.

## Canadian Canners Will Adopt Benefit Plans

HAMILTON.—At the annual meeting of shareholders of Canadian Canners, Avern Pardoe, chairman of the board of directors, and W. R. Drynan, general manager, said the past twelve months had been strenuous ones, but results were better than had been expected. Both officials were hopeful that this year's pack would be a maximum one, which would keep all factories in operation. Maximum production at low prices was better than a lesser production with higher prices, it was contended. The report to the shareholders was adopted.

Two by-laws were adopted. One provides for the establishment of an employees' benefit fund to enable employees to become shareholders, and to allow of pensions being awarded where it is felt they are deserved. The other by-law ratified the system of insurance for employees, which was inaugurated by the directors.

## Sugar Refining Plants' Production Increasing

From Our Own Correspondent.

MONTREAL.—The business done by the sugar refining plants in Canada still continues to show increases over the production of a year ago. In the four-week period ending February 27, a total of 74,004,549 pounds was manufactured, as compared with 70,351,172 pounds in the same period last year. The total amount manufactured during the present year to February 27 amounted to 131,884,914 pounds, as compared with 125,892,969 pounds last year.

The exports of manufactured sugar from Canada also continue to increase, and, during February there were exported 19,441,600 pounds, more than double the 8,882,000 pounds which were exported last year.

## Asbestos Corp. Declares First Dividend in July

From Our Own Correspondent.

MONTREAL.—At the meeting of the directors of the new Asbestos Corporation it was decided that the first payment of dividends on the new preferred stock would be inaugurated on July 15 of this year. The dividend to shareholders at this date will consist of a payment of 1¾ per cent. on the $7,500,000 shares of preferred stock outstanding. This leaves a gap of six months between the last payment made on the old preferred stock and the date of the payment of dividends on the new preferred.

It is understood that Lord Shaughnessy has been elected to the board of the new company; he is also a director of the Canadian Pacific and the Canadian Industrial Alcohol Company.

The old Asbestos Corporation has extended the period in which shareholders may exchange their securities for stock in the new Asbestos Corporation. The transfer books of the Asbestos Corporation of Canada will remain open until April 1 instead of March 15 as was previously announced.

Some indication of the outlook for the new Asbestos Corporation is seen in the current quotations of asbestos. For instance, No. 1 crude was quoted at $500 a ton during first two months of this year; this compares with a price of $389 during the same period last year. There is seen also a corresponding change in the various grades in which asbestos is sold. There is one exception to this; spinning fibres are quoted at slightly lower prices than last year.

## Sherwin-Williams Highly Recommended to Investors

In recommending Sherwin-Williams as "an ideal security for any conservative investor to include among securities held for sound, dependable income return," the Greenshields Review says:

"As our largest manufacturer of paints and varnishes the name of Sherwin-Williams Co. of Canada, Ltd., is known Dominion-wide. Earnings have been so stable that since organization in 1911 the company has never had an unprofitable year.

"For six years current assets have averaged considerably in excess of three times current liabilities and annual balance sheets have been consistently free from bank loans.

"The 7 per cent. cumulative preferred stock of this company accordingly meets three fundamental tests of what constitutes a good industrial investment. The company is a leading factor in an essential line of business. Earning power has been tested under a great variety of trade conditions. The financial position of the company has been consistently strong.

"Listed on the Montreal Stock Exchange since 1911, this stock has a long-established market. At the present price of about 114 the yield is approximately 6⅛ per cent. free from normal income tax. The fact that it is non-callable strengthens the probability of gradual enhancement in market value."

## Analysis Unfavorable to Dominion Glass Company

MONTREAL.—In view of the recent merger rumors about the Dominion Glass Company, an analysis published by the Montreal Stock Exchange house of Jones, Newton and Heward is of interest to investors.

The analysis shows that the working capital in 1921 was $1,866,755 and in 1925 was $2,508,949; the inventories in 1921 stood at $1,096,303 and in 1925 were $1,656,519. Dealing with these figures, the analysis says:

"During this period the working capital shows an increase of $642,193, while inventories, which in many manufacturing companies have over a like period shown a tendency to decrease, have increased $560,205."

In dealing with depreciation and plant accounts over the past five years it says:

"Real estate, building and equipment account shows an increase of $383,690, while reserve for depreciation is up $418,293. We understand from the annual reports that improvements have been made to the company's plants, yet at the same time some property has been disposed of."

The analysis averages the profit and loss account during the past five years. This reveals average earnings on the preferred stock of 20.4 per cent. and 8.2 per cent. on the common.

## VERY STRONG CASH POSITION FOR C.S.L.

### Net Working Capital Increased One Million to $3,855,347 in 1925

MONTREAL.—The balance sheet issued by the Canada Steamship Lines reveals the material improvement in cash and net working capital position that has been expected. Total assets are up a little over $400,000 to $38,899,203, the net increase in value of properties being about $635,000, this item standing at $23,656,245. There was a substantial reduction in the investment item at $724,256 as against $1,959,492. Loss adjustments due from underwriters are down nearly $200,000, at $330,808, and a considerable reduction is shown in claims receivable at $469,794, as compared with $614,662. Bond discount was reduced to $73,504.

The most notable increase among the assets is in cash, which is shown at $2,138,731, as compared with $1,173,758. Inventories also show a substantial increase, being up to $1,095,079 from $598,020

Funded debt was reduced over $300,000 to $10,807,964. Other liabilities are shown as follows: Accounts payable, $816,758; notes payable, $193,654; accrued charges, $161,641; reserves, $106,792, and surplus, $2,312,392.

Both current assets and current liabilities increased but the former nearly $1,200,000 to $5,027,400, while the increase in current liabilities was less than $170,000 at $1,172,053, leaving net working capital at $3,855,347, as compared with $2,847,179 at the end of 1924. This improvement, of course, is the more notable for the fact that increase in cash accounted for it.

| | 1925 | 1924 |
|---|---|---|
| Curr. assets | $ 5,027,400 | $ 3,853,11 |
| Curr. liabs. | 1,172,053 | 1,006, |
| Work. capital | $ 3,855,347 | $ 2,847,1 |

INVEST IN A GROWING INDUSTRY

St. Lawrence
Paper Mills
Limited

6% Bonds

The first mortgage bonds of a low operating cost newsprint Company having ample pulpwood resources and one of the most modern and efficient mills on the continent. Mills located at Three Rivers, Que.

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WE OFFER:

42,500 Shares of the Capital Stock of
Belleville Gas and Fuel Company
LIMITED
Par Value $10.00 per share

CAPITALIZATION

| | Authorized | To be issued |
|---|---|---|
| Capital Stock | $500,000.00 | $500,000.00 |

No Preferred Stock or Bonded Debt.

Auditors ............ Messrs. Frankling, Wallworth & Co., Toronto, Canada.
Transfer Agents and Registrar.—The Sterling Trusts Corporation, Toronto, Canada.

Following is a summary of a letter recently received from the President of the Company:

THE COMPANY. Belleville Gas and Fuel Company, Limited, was incorporated by Letters Patent dated February 16th, 1926, as a Public Utility under the Ontario Companies Act, Part 12, which relates to Companies operating Municipal Franchises and Public Utilities. The Company was formed for the purpose of taking over a thirty-year franchise given by the City of Belleville, Ontario, for operating a gas manufacturing business under the terms thereof.

SECURITY. As there are no Preferred shares or bonded indebtedness the capital stock herein described and offered participates in all the earnings and assets of the Company.

ASSETS. After present financing has been completed the Company will own in fee simple a certain tract of land, comprising approximately one acre in area, within the limits of the City of Belleville, on which they will erect a Low Temperature Carbonizing Plant, together with a new gas holder having a capacity of 300,000 cu. ft., and they will have the exclusive right to manufacture and sell, in the City of Belleville, gas for household and industrial purposes for a period of thirty years, at a price considered to be extremely profitable to the Company. In addition to this the Company will have the right to use the existing Tully Gasification Plant together with the whole gas distribution system now in operation and such extensions and additions as are deemed advisable to install in the best interests of the business. A further attractive feature is the arrangement made with the City of Belleville whereby the Company is exempt from payment of all municipal taxes for a period of ten years.

EARNINGS. The combined earnings of the new plant working in conjunction with the gas plant at present operating in Belleville will, according to both gas manufacturing and financial experts, show net profits, after taking care of operating and maintenance charges, of more than $62,000.00, representing almost 13% per annum on the total capitalization. This is based entirely on the present consumption of gas in Belleville, but we are confident that having regard to the fact that we will be producing a cheaper and much higher quality of gas many new gas consuming industries will be attracted to the city and thereby the demand will be very greatly augmented. The improved service should also attract additional household consumers.

DIVIDENDS. While no specific cash dividends are provided, it is contemplated that the stock can be placed on a 7% basis during the current year and gradually increased until a return of 10% per annum is provided for and paid.

SINKING FUND. By-law No. 27 provides for a sinking fund sufficient to retire the entire issue at the expiration of thirty years. The provisions of this by-law must remain in full force and effect until repealed by a vote of the majority of the shareholders present in person or by proxy at a special general meeting called for the purpose of voting thereon.

MANAGEMENT. The plant will be under the supervision of Mr. C. B. Tully of London, England, the inventor of the celebrated complete gasification process. Plants utilizing this process are now operating in more than four hundred cities and towns throughout the British Empire, China, Japan, and India. Mr. Tully is now negotiating for the supply of his gas plants to a large number of the cities and towns of France and Italy. A Board of five permanent Directors and two ex-officio members will direct the affairs of the Company. As far as it is possible the Directors and Executive will be selected from the ranks of those who have had a considerable amount of practical experience in gas engineering work.

PURPOSE OF ISSUE. The proceeds of approximately $200,000.00 of this issue are to be used for the purpose of purchasing a new Low Temperature Carbonizing Plant and gas holder capable of storing 300,000 cu. ft. of gas, while a portion of the balance will be used to renovate and restore the whole Belleville gas generating and distribution systems as recommended in a report recently made by one of Toronto's most eminent engineers. The amount remaining after these and other incidental expenditures have been made will be used as working capital.

PRICE $10.00 Per Share

Orders may be telegraphed or telephoned at our expense.

HUBLEY & COMPANY, LIMITED
Investment Securities
156 Yonge Street, Toronto, Canada Telephones: Main 1392 and Main 1393

The statements and figures present herein while not guaranteed, were obtained from sources which we believe to be reliable and on which we based our decision in agreeing to dispose of these securities.

# Iron and Steel

## STEEL IMPORTED WHICH COULD BE MADE IN CANADA

### This Phase of Situation Referred to in Steel of Canada Report

The annual statement of Steel Company of Canada for the fiscal year ending December 31, which has been forwarded to shareholders, bears out the showing which was revealed by the preliminary report. Net earnings, after providing for depreciation, bond interest and sinking fund, amount to $1,363,567, equal to 11.8 per cent. on the common stock, compared with $1,069,769, or 9.3 per cent., in 1924.

The balance sheet discloses a substantial gain in working capital over the previous year. Current assets amount to $15,032,241 and current liabilities $2,337,251, leaving net working capital $12,694,990. This is an increase of $943,687, as compared with $11,751,303 in 1924, when current assets were $13,103,522 and current liabilities $1,352,219. Total assets reflect the gain in current assets, being $50,193,707, up from $48,252,199.

While a decrease is shown in inventories of raw materials and finished products, which are shown at $5,621,533, as compared with $6,011,731, accounts receivable are over $1,200,000 in advance of the previous year's figures, being $3,452,551, as compared with $2,231,047. There is, however, a corresponding gain in accounts payable, which now stand at $2,016,484, as against $1,031,803. The company has maintained its usual strong cash position, with cash on hand and in banks of $577,302 and Victory and War Loan bonds $4,049,448, a total for the two accounts of $4,626,750. Cash on hand is slightly lower, but there is a gain of nearly $600,000 in holdings of Victory and War Loan bonds, the figures for 1924 being $593,578 and $3,462,344, a total of $4,055,922.

Reserve accounts have been increased by approximately $660,000, chiefly through the higher write-off for depreciation, which has been increased to $8,019,582, up from $7,696,656. Outstanding bonded indebtedness has been reduced to $6,177,406, from $6,440,619, as shown in the previous year's statement.

Working capital position at December 31 compares as follows:

| | 1925 | 1924 |
|---|---|---|
| Curr. assets ........ | $15,032,241 | $13,103,522 |
| Curr. liabs. ........ | 2,237,251 | 1,352,219 |
| Net work. cap. .... | $12,694,990 | $11,751,303 |

### Directors' Report

In reporting on the company's position and the business outlook, the directors say:

During the early part of 1925 business was quiet, but improved later, due to better crop conditions. The tonnage of steel produced shows a substantial increase compared with the previous year. Steel market prices, both domestic and foreign, in spite of the improved demand, declined throughout the year, and the strongly competitive conditions which prevailed in the domestic market resulted in selling prices which showed a reduction of several dollars per ton, as affecting our most important tonnage lines, compared with the previous year.

It is a matter of satisfaction, however, to state that the expenditures which we have made on our plants with the object of improving their efficiency, supplemented by the efforts of all departments of the organization, successfully met this situation with reduced costs and the increased profits resulted from the greater tonnage produced.

A very substantial tonnage of steel continues to be imported into Canada, which, to a great extent, could be produced in this country.

## Algoma Steel Corporation Starts Third Furnace

SAULT STE. MARIE.—Owing to an increase in miscellaneous business secured by the Algoma Steel Corporation in recent weeks making additional production of steel necessary a third open hearth furnace has been placed in operation by the corporation. Orders placed by the C.P.R. in the past few weeks with car and locomotive builders have brought to the steel plant orders for billets, bars, etc., required for the construction of locomotives and cars. Shipments are being made to Hamilton, Kingston and Montreal.

The blooming mills are working steadily on day turn, the 18-inch merchant mill is on day turn, and the 12-inch merchant mill is working day and night, principally on steel for use in the automotive industries.

## Besco Said to Have Secured Another Big Rail Order

From Our Own Correspondent.

SYDNEY.—The report persists in usually well informed circles that Besco had landed another big rail order—the quantity mentioned being 75,000 tons. The re-opening of the Besco dolomite quarries at Port au Port, Newfoundland with a staff of 500 men, is taken as a sure sign that unusual activity is expected at the Sydney steel works. They had been closed for 12 months.

Before leaving for Bermuda, Vice-president J. E. McLurg, said that the plant is getting nothing but the usual run of small orders, principally for pig iron. This is in contrast to the United States market, where pig iron has become stagnant.

## Massey-Harris Common Shows Rapid Advance

Optimism as to the future of the Massey-Harris Co. is indicated in the market action of the new common shares which were listed this week, which scored an advance of about 20 points above the listing price. The preferred held steady around 97. During the past several years the distribution of Massey-Harris stock has broadened remarkably. The time was when the entire capital was held in a very few hands. The company's employees have been encouraged to become shareholders and quite a number of them have taken advantage of the opportunity to do so under a scheme that was worked out several years ago. The public has also taken a larger part in the ownership of this large Canadian industrial enterprise. During the time of depression experienced by the agricultural implement business the company sustained severe losses. It began to turn the corner in 1924. More decided improvement was made in 1925, when earnings on the company's outstanding stock were equivalent to nearly $5 a share on the new common.

## DOMINION FOUNDRIES HAD LOWER PROFITS

### One of the Industries Which Did Not Find Improved Conditions During 1925

The fact that all Canadian industries did not find improvement in conditions during 1925 is forcibly shown by the annual statement of Dominion Foundries and Steel, Ltd. Profits from operations at $54,839 were not quite half the figure of $113,722 shown for 1924. After paying interest, taxes, etc., and allowing only $7,625 for depreciation there was a balance of $553 to add to the surplus which totals $491,989. Following are comparative figures:

Profit and Loss

| | 1925 | 1924 |
|---|---|---|
| Oper. profits ............. | $54,839 | $113,722 |
| Depreciation | 7,625 | 63,000 |
| Interest ................ | 44,287 | 47,216 |
| Discount ................ | 2,000 | 2,000 |
| Taxes ................... | 374 | ..... |
| | $54,286 | $112,216 |
| Balance .................. | $ 553 | 1,506 |
| Bal. forward ............. | 491,436 | 489,930 |
| Surplus .................. | $491,989 | $491,436 |

The liquid position shows a slight improvement. Current assets stand at $314,033, and current liabilities at $621,033, against $310,889 and $623,783 respectively in 1924. The net working capital deficit is $306,689, compared with $312,894 at the end of 1924. Bank advances are down from $556,000 to $548,897. Investments held at $237,422, compare with $457,239, and bills payable are up from $58.615 to $58,812; inventories are valued at $223,113, against $247,617.

## Asbestos Corporation Acquires Clear Titles

From Our Own Correspondent.

MONTREAL.—The Black Lake Asbestos and Chrome Company properties were sold to Credit-Canada by the liquidators for $50,000. The vice-president and general manager of the purchasing company, Luc Rochefort, announced that it was the intention of Credit-Canada to offer the bondholders $118,000 in par value 7 per cent. preferred shares of the Asbestos Corporation.

The Asbestos Corporation will take over from Credit-Canada these properties at a fixed figure; it will also acquire the Asbestos Mines, Limited, in the same way. The voluntary winding up of this company and Asbestos Mines, Limited, was brought about in order to provide a clear title to the properties, and a meeting of the bondholders will be held shortly in order to put before them the offer of the purchasers.

## Occidental Fire Co. Premiums Increased

MONTREAL.—The annual report of the Occidental Fire Insurance Company for the year ending December 31, 1925, shows a decided increase in the premium revenue and the continuance of the policy of transferring the total net profits to the profit and loss account which has now been built up to the total of $398,394, thus making a reserve, but fractionally below the paid-up capital of the company.

Premiums in 1925, less rebates and cancellations, amount to $561,561, as compared witth $508,985 in the preceding year, and the amount paid for reinsurance was $191,265, as against $186,208 in 1924, leaving a net premium increase of $47,518, divided $15,752 for fire department, $40,370 for hail department, and with a decrease in revenue from the automobile department of $8,604. There is a small decrease in reserve, it being necessary to set aside only $174,710 for unearned premium, as compared with $179,930 for the previous year.

Losses paid and unadjusted, less reinsurance recoverable amount to $179,243, which is 48.4 per cent. of net premiums written, or 47.7 per cent., with allowance for change in reserve for unearned premium. The ratio of expense to net premium income is 44.1 per cent., or 1.1 per cent. below the preceding year, and, allowing for change in reserve, the ratio is 43.5 per cent., or two per cent. higher than 1924.

## I.O.F. and Workmen Seem Likely to Merge

It seems practically certain that within a few weeks a merger is to be effected in the fraternal insurance field whereby the Ancient Order of United Workmen will become a part of the Independent Order of Foresters. The amalgamation has the approval of the executive committee of the Workmen, it is understood, but will have to go before the Order as a whole at the annual meeting, about the end of March, for final verification.

The contemplated amalgamation will further strengthen the Independent Order of Foresters, since the Ancient Order of United Workmen is in splendid shape. It has some 8,300 members whose insurance amounts to something upwards of eight millions. The business is all upon the proper basis, as demanded by the government department—the reserves are something over two and one-half millions.

The desirability of the merger seems to be an outcome of the efforts started some four or five years ago by Mr. Finlayson, of the Insurance Department, to get all the fraternal insurance on a proper actuarial basis. In making the change, some of the Orders have found themselves in sound position, but without much money to carry on extension work, so that there has been a danger of the membership becoming smaller and smaller. The larger Orders have the available funds for the necessary organization work.

It is understood that one of the life insurance companies in Toronto was anxious to get the insurance of the United Workmen, but the merger with the Independent Order of Foresters—whose fraternal aims are similar to those of the United Workmen—apparently appealed more to the United Workmen.

## NORTHERN ELECTRIC POSITION BETTERED

### Earned Over 25% on Stock — Working Capital Materially Bettered

From Our Own Correspondent.

MONTREAL.—The annual report of the Northern Electric Company for the year ending December 31, 1925, shows earnings of 25.34 per cent. on its stock. Gross earnings amounted to $1,724,123, and, after payment of all charges and dividends, there remained the sum of $670,717, which was transferred to profit and loss account.

No figures are available for comparison of the profits and balance sheet with preceding years, but in the directors' report to shareholders a comparison is made with the preceding year's figures showing working capital position. In this respect an excess of current assets over current liabilities of $7,121,477 is shown at the end of 1925, as compared with $5,468,883 at the end of 1924, or an increase of over $1,600,000.

The balance sheet shows capital assets of $9,882,053, against which there is shown a depreciation reserve of $5,564,249. After deducting from the assets all items of liabilities to the public as well as the depreciation reserve and the $500,000 employees' pension fund, the balance sheet indicates net tangible assets applicable to the common stock equivalent to $147.41 for every $100 par value of stock.

Profit and loss, and working capital figures follow:

| | |
|---|---|
| Net profits, after providing for depreciation and Govt. taxes........ | $1,724,123 |
| Bond and other interest ............ | 203,406 |
| Balance of profits .............. | $1,520,717 |
| Divids. paid and declared......... | 600,000 |
| Surplus for year ................ | $ 920,717 |
| Employes' Pension Fund ........... | 250,000 |
| Net addition to surplus ......... | $ 670,717 |
| Prior surplus .................... | 2,174,104 |
| P. and L. balance ............... | $2,844,821 |
| Earned on capital stock........... | 25.34% |

Working Capital

| | 1925 | 1924 |
|---|---|---|
| Current assets ......... | $8,345,054 | $7,339,756 |
| Current liabilities ...... | 1,223,577 | 1,870,873 |
| Net working capital | $7,121.477 | $5,468,883 |

In his remarks to shareholders, P. F. Sise, the president of the company, states in part as follows:

"The sales for the past year were again the largest in the history of your company, being 10 per cent. in excess of those of the previous year. This was due largely to an increased demand on the part of the various telephone systems throughout Canada for additional equipment.

"Your company's prospects for the current year are encouraging, the volume of orders on hand at January 1, 1926, being satisfactory.

"A survey of general business throughout Canada, based upon reliable statistical evidence, shows that a decided improvement has taken place during the last twelve months, and your company has a very much larger volume of business on its books from customers other than the Bell Telephone Company of Canada than it has had for several years."

The Canada Permanent Trust Company

OFFERS you the comprehensive service of an organization which has the confidence of a clientele extending from coast to coast. With branches throughout the Dominion, and a board of Directors of wide experience and conservative methods, this company enjoys continued growth in public appreciation.

PAID-UP CAPITAL ONE MILLION DOLLARS

*Acts as*

Executor, Trustee, Administrator, Guardian, Registrar and Transfer Agent, and in all Trust or Agency Capacities.

*Ontario Branch Office*

CANADA PERMANENT BUILDING TORONTO

18

## Stock Market Record

WEEK ENDING MARCH 16

| | Div. Rate | Yield Mar. 15 | High for wk. | Low for wk. | Close Mar. 16 | Close Mar. 9 | Sales wk. | Range, 1926 High | Range, 1926 Low |
|---|---|---|---|---|---|---|---|---|---|
| **Banks—** | | | | | | | | | |
| Commerce | 12+1 | 5.87 | 222 | 220⅜ | 220⅜ | 221½ | 134 | 226 | 220⅜ |
| Dominion | 12+1 | 5.98 | 217 | 216 | 216 | 217 | 20 | 219 | 215¼ |
| Can. Nationale | 10 | 6.25 | 160 | 160 | 160 | 160 | 35 | 170 | 159½ |
| Imperial | 12+1 | 6.13 | 212 | 211 | 211 | 211 | 55 | 215⅛ | 210 |
| Montreal | 12+2 | 5.39 | 260 | 258¾ | 258¾ | 259 | 247 | 263 | 258½ |
| Nova Scotia | 16 | 5.32 | 300 | 297 | 300 | 290 | 41 | 300 | 281 |
| Royal | 12+2 | 5.55 | 253½ | 252 | 252½ | 253 | 159 | 255⅛ | 248½ |
| Standard | 12 | 6.02 | 199½ | 198½ | 199½ | 199½ | 19 | 200 | 198 |
| Toronto | 12 | 5.50 | 218 | 218 | 218 | 216 | 4 | 222 | 213 |
| **Paper—** | | | | | | | | | |
| Abitibi, com. (no par) | 4 | 5.06 | 80½ | 78 | 78½ | 78 | 4499 | 85½ | 71¼ |
| Do., pref. | 7 | 6.36 | .. | ... | ... | ... | ... | 116 | 109¾ |
| Belgo-Can., com. | 6 | 6.00 | .. | ... | ... | ... | ... | 100 | 100 |
| Do., pref. | 7 | 7.07 | 99 | 98 | 99 | 98 | 525 | 101 | 95¾ |
| Brompton (no par) | . | .... | 35¼ | 33¾ | 35 | 33¼ | 8405 | 35¼ | 26 |
| Laurentide | 6 | 6.66 | 90 | 89½ | 90 | 89 | 458 | 93½ | 84¾ |
| Price Bros., com. | 2 | 3.07 | 65 | 64½ | 64½ | 64½ | 240 | 72 | 57 |
| Do., pref. | 6½ | 6.53 | 99¾ | 97⅞ | 97⅞ | 99½ | 142 | 100 | 95½ |
| Prov. Paper, com. | 6+1 | 6.82 | 103 | 102½ | 102½ | 103 | 75 | 104 | 100 |
| Do., pref. | 7 | 6.93 | .. | ... | ... | ... | ... | 104½ | 100 |
| Smith, Howard, com. | . | .... | 50¼ | 47 | 50 | 45 | 560 | 54½ | 38 |
| Do., pref. | 8 | 8.08 | 99¼ | 99 | 99 | 98 | 135 | 101 | 92¾ |
| Span. River, com. | 7 | 6.63 | 105½ | 103½ | 104 | 103½ | 626 | 108 | 99 |
| Do., pref. | 7 | 6.02 | 117 | 117 | 117 | 116¼ | 50 | 119 | 114¼ |
| St. Maurice Paper | 6 | .... | .. | ... | ... | ... | ... | 106 | 104½ |
| Wayagamack | . | .... | 70 | 68 | 68 | 68 | 180 | 83 | 65 |
| **Steel and Steel Industries—** | | | | | | | | | |
| B. E. Steel, com. | . | .... | 2½ | 1½ | 2 | 2¼ | 570 | 3⅛ | 1½ |
| Do., 1st pref. | . | .... | 27 | 25½ | 27 | 25 | 290 | 30 | 25 |
| Do., 2nd pref. | . | .... | 7 | 6½ | 7 | 7 | 1761 | 10¾ | 6½ |
| Can. Car & Found., com. | . | .... | 45 | 43 | 43 | .44 | 210 | 49 | 33 |
| Do., pref. | 7 | 8.23 | 85 | 84 | 85 | 84 | 480 | 85½ | 73 |
| Can. Foundries, pref. | . | .... | 49 | 49 | 49 | 47 | 2 | 50 | 41½ |
| Can. Foundries, com. | . | .... | .. | ... | ... | ... | ... | 8 | 8 |
| Can. Gen. Elec. com. (par $50) | | | .. | ... | ... | ... | ... | 51 | 51 |
| Do., pref. (par $50) | 7 | 6.08 | 59 | 57½ | 57½ | 59½ | 115 | 60 | 57 |
| Can. Locomotive, com. | . | .... | 42 | 40 | 40 | 40 | 43 | 42 | 35 |
| Do., pref. | 7 | 8.00 | .. | ... | ... | ... | ... | 89½ | 73 |
| Canada Iron, com. | . | .... | .. | ... | ... | ... | ... | 10 | 10 |
| Do., pref. | . | .... | .. | ... | ... | ... | ... | 42 | 40 |
| Dominion Coal | . | .... | 45 | 45 | 45 | 43 | 5 | 45 | 40½ |
| Dominion Iron, pref. | . | .... | 24¾ | 24½ | 24¾ | 24 | 140 | 24¾ | 20 |
| Dominion Bridge | 4 | 4.21 | 95 | 94 | 95 | 96 | 30 | 99½ | 80 |
| Dom. Radiator, pref. | 7 | 6.76 | .. | ... | ... | ... | ... | 103½ | 103 |
| Dom. Steel Corp., pref. | . | .... | 24½ | 24½ | 24½ | 24 | 80 | 24½ | 24 |
| Ford Motor | 10 | .... | .. | ... | ... | ... | ... | 622 | 632 |
| Massey Harris, com. | . | .... | 60 | 40 | 58½ | | 633 | 60 | 40 |
| Do., pref. | 7 | 7.21 | 97 | 95 | 97 | .. | 861 | 97 | 95 |
| Ontario Steel, com. | 4 | 5.55 | 73½ | 73½ | 73½ | 72 | 25 | 76 | 70 |
| Do., pref. | 7 | 7.00 | .. | ... | ... | ... | ... | 101 | 100 |
| Russell Motor, com. | . | .... | .. | ... | ... | ... | ... | 40 | 39 |
| Do., pref. | 7 | 7.91 | 88½ | 88½ | 88½ | 88½ | 25 | 90 | 82 |
| Sawyer-Massey, pref. | . | .... | .13 | 13 | 13 | .. | 50 | 13 | 13 |
| Steel of Canada, com. | 7 | 6.89 | 102 | 101 | 101¾ | 102 | 374 | 106½ | 95⅛ |
| Do., pref. | 7 | 5.90 | 118½ | 117¾ | 118½ | 117 | 58 | 118½ | 114 |
| **Milling and Foodstuffs—** | | | | | | | | | |
| Atlantic Sugar (Rts.) | . | .... | .15 | .01 | .01 | .10 | 12814 | 2 | .01 |
| Atlantic Sugar, com. | . | .... | 27⅛ | 24⅞ | 27 | 26 | 8208 | 33⅞ | 23¾ |
| Do., pref. | . | ... | 84 | 79 | 84 | 80 | 229 | 88 | 79 |
| B. C. Fishing | 5 | 7.09 | 71¼ | 68½ | 68½ | 69½ | 994 | 75¼ | 57¼ |
| Canada Bread, com. (no par) | | .... | 57½ | 57½ | 57½ | 57 | 25 | 61 | 56 |
| Do., pref. (A) | 7 | 6.48 | 108 | 108 | 108 | 108⅛ | 3 | 110 | 106 |
| Do., pref. (B) | 7 | 7.21 | 98 | 96¼ | 97 | 98 | 116 | 98 | 96¼ |
| Can. Canners, com. | . | .... | 13½ | 13 | 13½ | 13 | 449 | 15 | 12¾ |
| Do., pref. | . | .... | 63⅝ | 62 | 63⅝ | 61½ | 803 | 67¾ | 60 |
| Canadian Salt | 8 | 5.63 | .. | ... | ... | ... | ... | 145 | 131 |
| Christie B. com. (no par) | | .... | .. | ... | ... | ... | ... | 63½ | 62 |
| Can. Bakeries, com. (no par) | | .... | 30 | 29 | 29 | 29 | 22 | 36 | 29 |
| Do., pref. | 7 | 7.50 | 94 | 93¼ | 94 | 93 | 54 | 97½ | 93 |
| City Dairy, com. (par $25) | 12 | 4.05 | 74½ | 73 | 74 | 72 | 125 | 81 | 72 |
| Do., pref. | 7 | 6.42 | .. | ... | ... | ... | ... | 112 | 107 |
| Cuban Can. Sugar, com. | . | .... | 4⅛ | 4 | 4⅛ | 5 | 36 | 5 | 3½ |
| Do., pref. | . | .... | 24 | 24 | 24 | 23½ | 10 | 28 | 23½ |
| Dom. Stores, com. (no par) | 1.00 | .... | 65 | 65 | 65 | 65 | 10 | 68 | 65 |
| Do., pref. | 8 | 6.95 | .. | ... | ... | ... | ... | 116 | 106 |
| Wm. Davies (A) (no par) | . | .... | 34½ | 34 | 34 | 34⅛ | 210 | 37¼ | 34 |
| Wm. Davies (B) (no par) | | | .. | ... | ... | ... | .... | 10 | 10 |
| Inter. Milling, pref. | 7 | 6.82 | 101 | 101 | 101 | 102½ | 12 | 105¼ | 101 |
| Lk. of Woods, com. | 12 | 7.50 | 166 | 160 | 163 | 165 | 114 | 175 | 160 |
| Do., pref. | 7 | 5.98 | 117 | 117 | 117 | 117 | 10 | 117 | 116 |
| Maple Leaf Mill, com. | . | .... | 70 | 70 | 70 | 70 | 115 | 88 | 65 |
| Do., pref. | 7 | 7.03 | 100 | 99½ | 99½ | 100 | 30 | 102 | 96 |
| Ogilvie Flour, com. | 5 | 2.60 | 192 | 190 | 192 | 192 | 70 | 200 | 175 |
| Do., pref. | 7 | 5.60 | .. | ... | ... | ... | ... | 125 | 123½ |
| Pure Gold Mfg. (no par) | 50c | .... | 20½ | 20 | 20½ | 20 | 25 | 23½ | 20 |
| Shredded Wheat | 10 | 5.04 | 198½ | 195 | 198½ | 200 | 32 | 218 | 169½ |
| St. Law. Flour, com. | .. | | .. | ... | ... | ... | ... | 45 | 35 |
| Do., pref. | 7 | 8.53 | 82 | 82 | 82 | 84 | 5 | 84 | 82 |
| West Can. Flour | 8 | 6.95 | 115 | 114⅞ | 114⅝ | 115 | 11 | 115½ | 114 |
| Western Grocers, com. | . | .... | .. | ... | ... | ... | ... | 13¼ | 5 |
| Do., pref. | . | .... | 55 | 54 | 54 | 55 | 116 | 64 | 49½ |
| **Utilities—** | | | | | | | | | |
| Bell Telephone | 8 | 5.69 | 140½ | 138½ | 140½ | 138½ | 512 | 141 | 138 |
| Consumers Gas | 10 | 5.55 | 182 | 179 | 179 | 182 | 103 | 183⅞ | 174½ |
| Inter. Utilities (A) (no par) | 87½c | .... | . | ... | ... | ... | ... | 38½ | 35 |
| Do., (B) (no par) | . | .... | .. | ... | ... | ... | ... | 9¼ | 7½ |
| Jamaica Pub. Ser. pfd. | 7 | 7.19 | 98 | 96¼ | 97¼ | 98½ | 175 | 98½ | 96¼ |
| Laurentide Power | 5 | 4.76 | 105 | 105 | 105 | 106 | 20 | 110 | 105 |
| Mackay, com. | 7 | 5.30 | 133 | 132 | 133 | 133 | 160 | 138½ | 132 |
| Do, pref. | 4 | 5.63 | 71½ | 70 | 70⅛ | 70¾ | 140 | 73½ | 70 |
| Mexican Light, com. | . | .... | .. | ... | ... | ... | ... | 30 | 29½ |
| Do., pref. | . | .... | .. | ... | ... | ... | ... | 64 | 64 |
| Mont. L. H. & Pr. Cons. | 8 | 3.68 | 220 | 211 | 218¼ | 214 | 8301 | 227 | 209 |
| Mont. Telegraph (par $40) | 8 | 6.40 | 49 | 49 | 49 | 50 | 20 | 51½ | 49 |
| Ottawa L. H. & Pr. com. | 6 | 6.00 | .. | ... | ... | ... | ... | 100 | 97½ |
| Do., pref. | 6½ | 6.20 | 105 | 104½ | 105 | 105 | 10 | 105¼ | 102 |
| Ottawa & Hull Pr. (no par) | | .... | 26 | 26 | 26 | 25 | 5 | 26 | 25 |
| Quebec Power, com. | 5 | 4.03 | 125 | 123 | 124½ | 122 | 439 | 125 | 113 |
| Do., pref. | 7 | 6.30 | 111 | 111 | 111 | 111 | 125 | 116 | 109½ |
| Shawinigan | 8 | 4.39 | 182 | 180 | 182 | 181 | 77 | 191 | 167½ |
| South Can. Pr., com. | 2.00 | 2.24 | 89 | 89 | 89 | 89 | 5 | 90½ | 83 |
| Do., pref. | 6 | 5.94 | 101 | 101 | 101 | 101 | 5 | 101 | 100 |
| **Transportations—** | | | | | | | | | |
| Can. Pacific Rly. | 10 | 6.41 | 157½ | 155 | 152½ | 155 | 524 | 163 | 147 |
| Can. Steamships, com. | . | .... | 18 | 13 | 13 | 17½ | 815 | 18 | 11 |
| Do., pref. | . | .... | 68¼ | 60½ | 61¾ | 68¾ | 8003 | 68¾ | 56 |
| Do., (Voting) | . | .... | .. | ... | ... | ... | ... | 16 | 11 |
| **Tractions—** | | | | | | | | | |
| Barcelona (par $50) | . | .... | 27½ | 27 | 27½ | 26½ | 352 | 29 | 26½ |
| Brazilian, com. | 5 | 5.40 | 93⅛ | 91¼ | 92¼ | 92 | 16445 | 98½ | 80 |
| Do., pref. | 6 | 5.98 | 101 | 100¼ | 101 | 99½ | 8 | 102½ | 97½ |
| Detroit Un. Rly. | . | .... | .. | ... | ... | ... | ... | 3½ | 3 |
| Duluth-Superior | . | .... | 29 | 25 | 25 | 30 | 70 | 31½ | 25 |
| Illinois Trac. pref. | 6 | .... | .. | ... | ... | ... | ... | 96¼ | 96¼ |
| Montreal Trams | 10 | 6.06 | .. | ... | ... | ... | ... | 178 | 165 |
| Ottawa Traction | 4+1 | 7.81 | .. | ... | ... | ... | ... | 65¾ | 63 |
| Porto Rico Rlys., com. | . | .... | 47 | 44¼ | 47 | 44 | 520 | 47 | 40 |
| Do., pref. | 7 | 7.69 | 91 | 91 | 91 | 90 | 45 | 91 | 87 |
| Quebec Rly. | . | .... | .. | ... | ... | ... | ... | 26⅝ | 26⅝ |
| Twin City, com. | 5 | 6.71 | 77 | 72⅞ | 73 | 77 | 1070 | 79½ | 72 |
| Do., pref. | 7 | 6.79 | 103 | 102½ | 102½ | 103 | 25 | 103 | 102¼ |
| Winnipeg Elec., com. | 1 | .... | 52 | 51½ | 51¾ | 51¾ | 1330 | 54⅝ | 46½ |
| Do., pref. | 7 | 7.00 | 100 | 100 | 100 | 100 | 10 | 100½ | 95 |
| **Textiles—** | | | | | | | | | |
| Can. Conn. Cotton, pfd. | 4 | .... | .. | ... | ... | ... | ... | 49 | 46¾ |
| Can. Converters | 7 | 7.65 | 92½ | 90 | 92½ | 90 | 46 | 94 | 90 |
| Can. Cotton, com. | 8 | 6.55 | .. | ... | ... | ... | ... | 124 | 121 |
| Do., pref. | 6 | 6.18 | .. | ... | ... | ... | ... | 99½ | 95 |
| Can. Woollens, com. | . | .... | .. | ... | ... | ... | ... | 8 | 7 |
| Do., pref. | . | .... | 50 | 50 | 50 | 50 | 51 | 50 | 49½ |
| Dom. Textile, com. | 5 | 5.39 | 94½ | 92¾ | 93 | 93 | 260 | 99⅛ | 91½ |
| Do., pref. | 7 | 3.78 | .. | ... | ... | ... | ... | 122 | 119 |
| Monarch Knitting, pref. | . | .... | .. | ... | ... | ... | ... | 50 | 45⅛ |
| Montreal Cottons, com. | 6 | 5.82 | 103⅛ | 103 | 103 | 103 | 3 | 105 | 102 |
| Do., pref. | 7 | 6.14 | 114 | 114 | 114 | 114 | 14 | 114½ | 112 |
| Penmans, com | 8 | 4.37 | 183 | 183 | 183 | 183 | 40 | 190 | 175 |
| Do., pref. | 6 | 5.79 | .. | ... | ... | ... | ... | 104¼ | 103 |
| Wabasso Cotton | 4 | 6.15 | .. | ... | ... | ... | ... | 65 | 62 |
| **General Industrials—** | | | | | | | | | |
| Amer. Sales., c. (par $20) | 4 | 6.06 | 66 | 66 | 66 | 68 | 5 | 70 | 64 |
| Do., pref. | 7 | 7.21 | 97 | 96½ | 97 | 96¾ | 31 | 97¼ | 92 |
| Asbestos Corp., com. | 6 | 6.66 | 93 | 88 | 90 | 86 | 891 | 94½ | 80 |
| Do., pref. | 6 | 5.31 | 116 | 112 | 115 | 110½ | 956 | 116 | 109 |
| Brant. Cord., pref. (par $25) | 8 | 7.40 | 27 | 26½ | 26½ | 27 | 163 | 27½ | 26 |
| Burt, F.N., com. (par $25) | 12 | 5.02 | 59¾ | 59 | 59 | 59½ | 150 | 67 | 58½ |
| Canada Cement, com. | 6 | 5.45 | 111 | 110 | 110⅛ | 110½ | 1101 | 111½ | 101¾ |
| Do., pref. | 7 | 5.92 | 118¼ | 117¾ | 118 | 118¼ | 145 | 120 | 115½ |
| Cons. Rubber, pref. | 7 | 8.09 | .. | ... | ... | ... | ... | 86½ | 86½ |
| Can. Indt. Alc., (no par) | 1.28 | 7.11 | 18 | 17¾ | 18 | 17⅞ | 1235 | 20 | 16¼ |
| Crow's Nest Coal | 6 | 8.69 | 70 | 69 | 69 | 70 | 23 | 85 | 51 |
| Dom Glass, com. | 7 | 7.00 | 104¾ | 100 | 100 | 101¼ | 503 | 105 | 85 |
| Do., pref. | 7 | 6.30 | .. | ... | ... | ... | ... | 111 | 106 |
| East Theatres, com. (par $25) | | .... | 23 | 23 | 23 | 22½ | 25 | 25¼ | 18¾ |
| Do., pref. | 7 | 7.95 | 88 | 16 | 16 | 15 | 15 | 18 | 15 |
| Famous Players, com. | . | .... | 16 | 90½ | 91½ | 92 | 184 | 94¼ | 90½ |
| Do., pref. | 8 | 8.69 | 92 | 88 | 88 | 90 | 16 | 90 | 88 |
| Gilman, com. | 6 | 5.71 | .. | ... | ... | ... | ... | 106 | 104½ |
| Do., pref. | 7 | 6.00 | .. | ... | ... | ... | ... | 116½ | 113¼ |
| Goodyear Tire, pref. | 7 | 7.27 | 96¼ | 95 | 95 | 96¾ | 70 | 97 | 93½ |
| Holt Renfrew, pref. | 7 | 7.77 | 90 | 90 | 90 | 89 | 35 | 90 | 85½ |
| Kelvinator, com. (no par) | | | 17 | 15½ | 17 | 15 | 760 | 16 | 15 |
| Do., pref. | | | 93 | 92 | 93 | 92 | 108 | 93 | 92 |
| King Ed. Hotel | . | .... | 33 | 25 | 33 | 25 | 46 | 33 | 25 |
| Lyall Construction | . | .... | 45 | 41 | 43 | 43¾ | 1090 | 46 | 20 |
| Nat. Brew, com. (par $25) | 4 | 6.50 | 63 | 61 | 61⅞ | 61⅞ | 4548 | 69 | 56 |
| Do., pref. | 7 | 6.60 | 106 | 106 | 106 | 108 | 5 | 110 | 106 |
| National Brick, com. | . | .... | .. | ... | ... | ... | ... | 12½ | 12½ |
| Do., pref. | 7 | .... | 67 | 67 | 67 | 68 | 1 | 72 | 67 |
| Pacific Burt, com. | 6 | 6.00 | 100 | 100 | 100 | 98 | 10 | 110 | 90⅝ |
| Do., pref. | 7 | 6.48 | .. | ... | ... | ... | ... | 110 | 102 |
| Port Hope Sanitary, com. | ¾ | .... | 88 | 85 | 87 | 85 | 166 | 88 | 74½ |
| Do., pref. | 7 | 7.07 | 99 | 99 | 99 | .. | 1 | 99 | 99 |
| Rogers, Wm., com. | . | .... | 59 | 59 | 59 | 59 | 85 | 67 | 45 |
| Do., pref. | 7 | 7.33 | 95½ | 95¼ | 95¼ | 95⅝ | 9 | 95⅝ | 90 |
| Sherwin-Williams, com. | 6 | 4.66 | 131¼ | 128½ | 128½ | 130 | 196 | 135 | 127 |
| Do., pref. | 7 | 6.19 | 114 | 113 | 113 | 114 | 85 | 114 | 110½ |
| Sterling Coal | 4 | .... | .. | ... | ... | ... | ... | 43 | 37 |
| Tooke Bros., com. | . | .... | .. | ... | ... | ... | ... | 8 | 8 |
| Do., pref. | . | .... | 58 | 58 | 58 | 58 | 38 | 60 | 57 |
| Tuckett Tobacco, com. | 4 | 6.45 | 64 | 64 | 64 | 62 | 5 | 65 | 61¾ |
| Do., pref. | 7 | 6.79 | 105 | 103 | 103 | 104 | 40 | 105 | 102 |
| Woods Mfg. com. | . | .... | 41 | 39¼ | 41 | 39 | 164 | 44 | 38 |
| Do., pref. | 7 | .... | 81 | 80½ | 80½ | 80 | 220 | 81 | 77¾ |
| **Trust and Loan—** | | | | | | | | | |
| Cen. Canada Loan | 12 | .... | .. | ... | ... | ... | ... | 210 | 210 |
| Can. Landed (par $50) | 10+1 | 5.53 | 99¼ | 99¼ | 99¼ | 99 | 10 | 100 | 95 |
| Can. Permanent | 12 | 5.82 | 206 | 203 | 203 | 206 | 8 | 206 | 202½ |
| Colonial Invest (par $10) | 6 | .... | .. | ... | ... | ... | ... | 6½ | 4 |
| Hamilton Prov. | 10 | 6.36 | .. | ... | ... | ... | ... | 157 | 157 |
| Huron & Erie | 7+½ | | .. | ... | ... | ... | ... | 130 | 127½ |
| Landed Banking | 9 | 6.16 | .. | ... | ... | ... | ... | ... | ... |
| Mont. Loan (par $50) | 12+1 | 6.50 | .. | ... | ... | ... | ... | 50 | 50 |
| National Trust | 12 | 5.00 | 245 | 245 | 245 | 240 | 5 | 245 | 235 |
| Ontario Loan (par $50) | 11 | 5.23 | .. | ... | ... | ... | ... | 105 | 103½ |
| Real Estate Loan | 7 | 8.23 | .. | ... | ... | ... | ... | 85 | 85 |
| Toronto Gen. Trusts | 12 | 5.38 | .. | ... | ... | ... | ... | 225 | 223 |
| Toronto Mort. (par $50) | 10+1 | 5.78 | .. | ... | ... | ... | ... | 95 | 93½ |
| Union Trust | 7 | 6.93 | 101 | 101 | 101 | 101 | 33 | 101 | 101 |
| **THE CURB MARKET** | | | | | | | | | |
| Asbestos com. (new) | . | .... | 20 | 19 | 19½ | 20 | 1253 | 24½ | 19 |
| Do., pref. (new) | . | .... | 63 | 62 | 62 | 64¾ | 90 | 70 | 62 |
| Brit. Amer. Oil (par $25) | 10 | 4.95 | 51 | 49½ | 50½ | 49⅞ | 1188 | 53½ | 47 |
| Can. Oil, com. | 1¼ | .... | .. | ... | ... | ... | ... | 74 | 65 |
| Do., pref. | 8 | .... | .. | ... | ... | ... | ... | 101 | 100 |
| Continental Oil, com. | 25c | 1.08 | 23 | 22⅝ | 22⅝ | 21½ | 60 | 26 | 21½ |
| Dryden Power (no par) | . | .... | 7 | 6¾ | 7 | 7 | 295 | 7¾ | 6 |
| East. Engineering | . | .... | 2½ | 2½ | 2½ | 2 | 175 | 2½ | 1 |
| Good & Worts | 6 | 3.04 | 197 | 197 | 197 | 235 | 10 | 237 | 193 |
| Imperial Oil (no par) | 1.00 | 2.85 | 35¾ | 35 | 35½ | 35 | 1285 | 38½ | 33 |
| Inter. Pet. (no par) | 75c | 2.34 | 32½ | 31¾ | 32¼ | 31⅝ | 1315 | 35½ | 29¼ |
| Manitoba Power (no par) | . | .... | 38 | 35½ | 38 | 36 | 24 | 42 | 24 |
| Newsprint Corp. | . | .... | 18 | 18 | 18 | 18 | 45 | 27 | 18 |
| North Star Oil, com. (par $5) | | . | 1.05 | 1.00 | 1.00 | 1.05 | 500 | 1.05 | .95 |
| Do., pref. (par $5) | 7 | .... | .. | ... | ... | ... | ... | 4.75 | 4.50 |
| Simpsons, pref. | 6 | .... | .. | ... | ... | ... | ... | 102 | 101 |
| St. Maur. Valley | . | .... | 52 | 52 | 52 | 53 | 50 | 53½ | 32 |
| Toronto R. S. | . | .... | 1.40 | 1.40 | 1.40 | 1.25 | 1.50 | 1.40 | 1.10 |
| Volcanic Oil (par $25) | 62c | .... | 28½ | 28 | 28 | 28 | 165 | 29 | 27⅝ |
| Beacon Oil | . | .... | 18½ | 16¼ | 16¼ | 18¼ | 665 | 19½ | 16¼ |
| English Elec. com. (no par) | | | 24½ | 23 | 24½ | 21 | 218 | 24½ | 15 |
| Do., pref. | . | .... | 69 | 69 | 69 | 67 | 5 | 59 | 59½ |
| Illinois Power, pref. | . | .... | 96¼ | 96¼ | 96¼ | 98 | 1 | 98½ | 96 |
| North Mex. Pr. com. | . | .... | 49 | 48½ | 48½ | 48¾ | 150 | 55 | 48½ |
| Power Corp. (no par) | . | .... | 25 | 25 | 25 | 25 | 50 | 28¼ | 24¼ |
| Pressed Metals, com. | . | .... | 38 | 38 | 38 | 40 | 15 | 40 | 30 |
| St. Law. Pr. (no par) | . | .... | 43¼ | 43 | 43 | 42 | 424 | 46½ | 36 |
| St. Maur. Pr. | . | .... | 78 | 78 | 78 | 80⅛ | 63 | 80⅛ | 77 |
| United Secs., pref. | 6 | 5.74 | 104¾ | 104½ | 104½ | 104 | 22 | 104¾ | 103 |

### UNLISTED SECURITIES

| | Bid | Asked |
|---|---|---|
| Can. Machinery, com. | 4 | 7 |
| Can. Machinery, pref. | 13 | 18 |
| Can. Westinghouse, com. | 157 | 165 |
| Cosgrave Brewery | 4¼ | 5 |
| Dom. Power, pref. | 94 | 97 |
| Farmers Dairy, com. | 45 | .. |
| Farmers Dairy, pref. | 100 | 105 |
| Gunns, Ltd., pref. | 39 | 41½ |
| Imperial Tobacco | 5¾ | 6½ |
| King Edward Hotel, Deb. A. | 77 | 80 |
| King Edward Hotel, Deb. B. | 57 | 60 |
| K. & S. Tire, pref. | 15 | .. |
| Loew's Toronto, com. | 26 | 30 |
| Loew's London, com. | 2½ | 3 |
| Loew's Ottawa, pref. | 12 | .. |
| Mount Royal Hotel, com. | 5 | 7 |
| Mount Royal Hotel, pref. | 35 | 38 |
| Willard's, pref. | 69 | 72 |
| Loblaw Groceterias, com. | 59 | .. |
| Capital Life 25% Paid | 22½ | 25 |
| Continental Life 20% Paid | 34 | .. |
| Crown Life | 120 | .. |
| Empire Life | 22 | .. |
| Excelsior Life 25% Paid | 44 | .. |
| Great West Life | 360 | .. |
| Imperial Life | 200 | .. |
| Monarch Life 10% Paid | 19 | .. |
| Ont. Equitable | 25 | 28½ |
| Re-Insurance | 12 | 14½ |
| Security Life, 40% Paid | 32 | 35 |
| Sovereign Life, 25% Paid | 24 | 27 |
| Toronto Finance, pref. | 4½ | 5½ |
| Trusts & Guarantee | 74 | 77 |

International Loan Company

BALANCE SHEET

As at December 31st, 1925

Authorized Capital, $20,000,000.00
Subscribed Capital, $ 4,202,500.00

| ASSETS | | LIABILITIES | |
|---|---|---|---|
| Cash on Hand ......... | $ 1,839.56 | Liabilities to the Public | Nil |
| Cash in Banks, Current Account ............ | 12,206.72 | | |
| Cash in Banks, Savings Account ............ | 20,000.00 | Reserve for 1925 Income Tax, Payable April 30th, 1926 .......... | $ 1,509.94 |
| Total Cash on Hand and in Bank ............ | $ 34,046.28 | | |
| First Mortgages and Clear Title Agreements including accrued Interest ............ | 605,906.35 | Capital— Capital Paid Up ..... | $606,314.65 |
| Accounts Receivable (secured) ............ | 1,506.03 | | |
| Real Estate (Clear Title) | 47,803.80 | Surplus— Reserve and Undivided Profit .............. | 82,224.00 |
| Agreements, Subject to Prior Claims ........ | 786.13 | | |
| | $690,048.59 | | $690,048.59 |

Winnipeg, January 22nd, 1926.

We have audited the books and examined the vouchers for the year 1925, and hereby certify the above Balance Sheet to be, in our opinion, properly drawn up so as to exhibit the true and correct position of the Company, and to be in accordance with the books and records as at December 31st, 1925. The Cash and Bank Balances have been verified and all Securities examined and found in order.

All of our requirements as auditors have been complied with,

DAVID COOPER & COMPANY,
Chartered Accountants.

International Loan Company

Winnipeg - Manitoba

PORT ALFRED PULP & PAPER CORPORATION

*HEAD OFFICE:*
INSURANCE EXCHANGE BUILDING
MONTREAL, P.Q.
*Mills at* PORT ALFRED, P.Q.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

The Mark of Quality

ROYAL RECORD
a Canadian-made Paper of regal quality
worthy for every purpose
where the printed message
*must* reflect
the character, stability and dignity
of the user.
*Ask your Printer—he knows*
HOWARD SMITH PAPER MILLS LIMITED
MONTREAL

Automobile and Piano Paper
MANUFACTURERS FINANCE CORPORATION LIMITED
TORONTO, Federal Building
AUTHORIZED CAPITAL - $6,500,000

The Laurentide Company
Limited

Manufacturers of
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# *Pulp and Paper*

## NEWSPRINT TREND TOWARDS CONTROL BY ONLY A FEW

### Coming Together of Companies Means Much to Newsprint Shareholders

From Our Own Correspondent.

MONTREAL. — The tendency of modern business appears to be toward more and larger consolidations, thus, not only does the consumer obtain the benefit of lowered prices through increased economies, but the position of the investor is materially strengthened also, for no longer do his securities represent an earning power which may be materially weakened through the occurrence of some unfavorable "trade wind." In other words, the fewer controlling heads there are in any one industry, the less likelihood there is of over-expansion which, while taking place, acts favorably on stock market prices, but inevitably leads to over-production coupled with market slumps.

It is, therefore, somewhat reassuring to investors, who feel that the Canadian newsprint industry is moving toward a possible over-production, to reflect on the ownership and affiliations of the various companies engaged in the industry; it would seem that the whole trend of the control of the Canadian newsprint industry is toward the hands of but a few. Even to-day the general trend is evidenced in what might be termed the "Big Four" of the newsprint industry: the Canadian Export Paper Company, the Holt group of companies, the George H. Mead Company, and the International Paper Company.

**Handle Sales for Many**

The first named of these handles the export sales of Laurentide, Price Brothers, and Brompton; these companies have a total daily production at present of some 1,200 tons. The group of companies in which Sir Herbert Holt has large interests includes the St. Maurice Valley Corporation, Port Alfred, Canada Paper and the St. Maurice Sales Corporation, which sells also the output of the St. Lawrence Paper Mills and the Beaver Wood Fibre Company; these companies have a present capacity of some 900 tons a day—this total will be largely increased by the end of the present year.

Then there remain the companies for which the George H. Mead Company handles the export sales, Abitibi and Spanish, with a total output of 1,200 tons daily, and the International Paper Company with a present production of about 1,500 tons a day.

In brief, then, these four newsprint groups have a total daily capacity amounting to 4,800 tons, as compared with a total daily Canadian production of around 5,700 tons.

**1,000 Tons Not Included**

This means, therefore, that all but around 1,000 tons of the Canadian production is handled through one of the "Big Four." Furthermore, it is to be remembered that a portion, some 350 tons of the latter, is manufactured in Canada by American papers for their own use, and consequently exert no influence on the newsprint market.

It will be seen, therefore, that the position of the investor in newsprint stocks is somewhat stronger than might, at first glance, be imagined, for, in the event of any kind of a slump in U. S. newsprint advertising, and a consequent decrease in the demand for newsprint paper there, these four groups could come together more easily on a price agreement than could some 70 odd individual newsprint companies. All of which tends to strengthen the position of the holder of newsprint securities.

It might be thought that the production of some 4,800 tons daily from these four groups, although constituting by far the major portion of the Canadian output, would have little influence on the industry on the continent as a whole. But this would hardly appear to be the case, for this production amounts to around 45 per cent. of the total daily production in North America; it would be almost safe to say, therefore, that what these companies feel with regard to newsprint prices in North America goes. Also, the International Paper Company has by far the largest newsprint production of any company in the States. There is but one other company there with a daily production of over 300 tons.

**High Cost Mills in States**

Again, over 60 per cent. of the U. S. newsprint producers have a capacity of under 100 tons daily, and, in many instances, are not complete mills; they do not manufacture their own sulphite pulp requirements. This makes for considerably higher costs in U. S. mills, as compared with the Canadian plants.

It seems apparent, therefore, that further mergers, or consolidations for sales, will have but one effect, that of ensuring a profitable future for the Canadian industry as a whole. Although some of the companies shown in the foregoing groups have no connection, either financial or through interlocking directorates, with the sales corporation which handles their output, yet it must be admitted that even this connection is a bond of strength as far as safeguarding the future prices of newsprint is concerned.

## Output of Newsprint Continues Increase

From Our Own Correspondent.

MONTREAL.—Due to the shorter month, newsprint production, both in Canada and the United States, declined during the month of February. The output of Canadian mills again surpassed those of the United States. The Canadian output has exceeded that of the U. S. every month since September last. Production during the month of February follows:

| | Canada | U.S.A. |
|---|---|---|
| February, 1926 (tons) .... | 135,638 | 129,622 |
| February, 1925 (tons) .... | 115,624 | 118,831 |

During the month, 12,683 tons of newsprint was made in Newfoundland and 981 tons in Mexico, so that the total North-American production for February, 1926, was 278,949 tons. During the month, Canadian mills operated at 98.3 per cent. of their rated capacity, and United States mills at 95 per cent. The United States mills made 11 per cent more paper in the first two months of 1926, and the Canadian mills made 16 per cent. more than in the corresponding period of the previous year. The combined production of Canadian and United States mills during the first two months of 1926 was 13 per cent. more than in the same period of 1925. Details of the two months' period are as follows:

| | Canada | U.S.A. |
|---|---|---|
| 2 months, 1926 ........ | 275,351 | 269,648 |
| 2 months, 1925 ........ | 237,414 | 243,710 |
| 2 months, 1924 ........ | 222,847 | 250,916 |

## DEBENTURES OF ST. LAWRENCE MILLS BEING OFFERED

### Issue of $2,000,000, 10-year, 6½ Per Cent. Debentures Made

From Our Own Correspondent.

MONTREAL.—An offering of $2,000,000, 6½ per cent., mortgage debentures of the St. Lawrence Paper Mills is being made this week by Nesbitt, Thomson and Company and Dominion Securities. The debentures are offered at par plus a bonus of stock purchasing warrants; these warrants entitle the holder, after March 1, 1927, to purchase three shares of common stock in the company at $50 per share; three shares may thus be purchased by the holder of each $1,000 debenture.

The proceeds of the present financing will be utilized in the company's expansion program which will double its present newsprint capacity. The company at present manufactures 150 tons of newsprint daily. In addition, the plant produces 100 tons of sulphite pulp daily.

The present issue is secured by a mortgage on all the assets, subject only to the outstanding issue of mortgage bonds which totals $6,500,000. The total net assets securing the debentures, after deducting all prior claims, amounts to $256 for each $100 debenture.

After allowing for the interest charges on the first mortgage bonds, earnings for the last fiscal year amounted to 3.68 times the interest requirements of the debentures. The latter figure makes no allowance for federal taxes nor for depreciation. Earnings during the last fiscal year, however, do not reveal the increased earning power of the company since the completion of its sulphite mill last autumn—furthermore, the additional newsprint output will further increase the earning power of the plant.

The earnings at the present time are revealed in the net earnings for the month of December last which, before allowing for federal taxes and depreciation, stood at $109,761, as against total monthly interest charges on the outstanding bonds and debentures of some $44,500.

The debenture issue matures in 10 years and the sinking fund clause in the trust deed provides for the redemption of the entire issue by the maturity date.

Including the present financing, the capitalization of the company is as follows:

| | Authorized | Issued |
|---|---|---|
| First Mortgage Sinking Fund Gold Bonds .. | $15,000,000 | $6,500,000 |
| Ten-year Mortgage Debentures (this issue) | 2,000,000 | 2,000,000 |
| 8% Cumulative Preferred Stock ...... | 2,500,000 | 2,500,000 |
| Common stock (no par value) .......... | 100,000 shs. | 50,000 shs.* |

* In addition to the 50,000 shares issued there are options outstanding on 10,000 shares at various prices including those necessary for the warrants.

## U.S. PULP IMPORTS MOVING DOWNWARDS

### Yet Canadian Pulp Exports to States Are Increasing—Prices Still Strong

From Our Own Correspondent.

MONTREAL.—The import figures of the United States for the month of January, 1926, show that imports of Canadian sulphate pulp were fractionally higher than in the same period of 1925. However, it is significant that, during the month, the total U. S. imports of sulphate dropped from 34,702 tons in January, 1925 to only 18,838 tons in the first month of the present year; this would indicate that although the U. S. is using less foreign sulphate, yet the demand for this grade of pulp on the continent has increased, thus allowing an increase in the Canadian exports to the U. S. For the seven-month period ending January, 1926, Canadian exports of sulphate to the U. S. amounted to 73,584 tons, as compared with 67.901 tons during the corresponding period of the preceding year.

There was a marginal falling off of sulphite imports into the U. S. during January, 1926, but Canadian exports of sulphite to that country moved up from 30,000 tons in January, 1925, to 31,000 tons in January last. The total U. S. imports of sulphite for the seven-month period ending January, 1926, fell off over 9 per cent., as compared with the same period of the previous year, yet, during this period, the Canadian exports of sulphite to the U. S. were 236,958 tons, being a decided increase from the 197,329 tons exported in the preceding seven month period. This provides further substantiation of the fact that the European producers of pulp are finding better markets for their output on the continent.

The inference that world market for all types of pulp continue strong is seen in the average price of sulphite exported to the U. S. from Canada, which, in January last, was $70, as compared with $65 in January, 1925. The average prices for Canadian exports of sulphate to the U. S. also increased from $62 in January, 1925, to $67 in the first month of the present year.

### TAXES ON ST. REGIS MILL

MONTREAL.—The St. Regis Paper Company has obtained a commutation of taxes for a period of 15 years on its projected mills at Cap Rouge. The mills will cost about $5,000,000 and will be in operation in 1927.

The company obtains complete exemption from taxation until 1929; from then until 1939 it will be taxed on a property valuation of $250,000. The lands for the new mills were purchased for $100,000.

### FERTILIZER PLANT RE-OPENS

SYDNEY.—The Cross Fertilizer Co. this week re-opened its plant, closed since last spring, and has taken on 30 men working one shift a day on the manufacture of slag fertilizer products.

## Abitibi Making Records For Newsprint Production

From Our Own Correspondent.

MONTREAL.—The newsprint mill of the Abitibi Power and Paper Company has a rated capacity of 500 tons a day, but the efficiency of the machines is undergoing a steady improvement; on March 5 the mills produced 549 tons in one day. The figure constituted a record and surpassed the previous record made in January of 547½ tons in a day.

The company's average for the month of February was 522.5 tons of newsprint daily; this also was a record.

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## Asbestos Corporation of Canada, Limited

### NOTICE

**Notice is hereby given that the date of exchanging the securities of Asbestos Corporation of Canada, Limited (Old Company), for securities of Asbestos Corporation, Limited (New Company), as provided in this Company's circular letter to its Shareholders, dated February 3rd, 1926, has been extended from March 15th to April 1st, 1926, and the Transfer Books of Asbestos Corporation of Canada, Limited, will remain open until the latter date.**

**Montreal, March 12th, 1926.**

**Asbestos Corporation of Canada, Limited**
J. T. McCALLUM, Secretary-Treasurer.

# Public Utilities

## BELL SYSTEM IS OWNED BY ABOUT MILLION PEOPLE

### Stock Held by Public is Valued at Nearly $1,150,000,000

NEW YORK.—The investment in the Bell System plant and other assets devoted to furnishing telephone service at the end of 1925 totaled $2,938,000,000, making it the biggest corporation in the world.

Much confusion has existed in the public mind regarding the status of the Bell System and that of the American Telephone & Telegraph Co. The latter is the parent company of the Bell System. This parent company owns directly or indirectly 90 per cent. of the voting stock of the twenty-five associated operating companies. The American Telephone & Telegraph Co. is not merely a holding company in the ordinary sense. It is the central organization in the Bell System, owning and operating the long distance lines; it has contract relations with its associated companies and has important financial and fiscal relations with the associated companies.

The par value of the stock of the Bell System outstanding in the hands of the public at the end of last year was $1,144,618,690, of which $949,170,350 was represented by American Telephone & Telegraph shares and the balance being common and preferred stocks of associated companies not owned by the parent organization. The entire debt of the Bell System was $891,008,995, less than one-third of the total assets. Of the debt, only $502,219,065 is represented by mortgage bonds. It is estimated that nearly 1,000,000 persons are interested in the securities of the system.

**Telephone Plant Investment**

Vast sums have gone into making this huge net-work of wires, which spread throughout the United States and Canada. Last year the telephone plant of the Bell System was valued at $2,524,905,590, an increase of $257,982,124 over the previous year. In 1902 the system's plant was actually valued at $250,013,000, and in 1900 the figure was but $180,700,000. It is half a century since the first completed sentence was transmitted by telephone.

The Bell System sets aside annually adequate reserves for depreciation. Approximately one-seventh of gross revenues of the system is spent on maintenance, and during the last five years every dollar so spent has been more than matched by a dollar added to depreciation reserves to take care of retirements of present plant when its maintenance in a high state of operating efficiency is no longer economically possible.

**Station Growth**

Following tabulation shows the station growth in the last ten years:

| Year | Bell-owned | Bell-connected | Total |
|---|---|---|---|
| 1925 | 12,035,224 | 4,685,000 | 16,740,224 |
| 1924 | 11,242,318 | 4,664,232 | 15,906,550 |
| 1923 | 10,400,000 | 4,570,000 | 14,970,000 |
| 1922 | 9,514,813 | 4,535,752 | 14,050,565 |
| 1921 | 8,914,155 | 4,466,064 | 13,380,219 |
| 1920 | 8,333,979 | 4,267,956 | 12,601,935 |
| 1919 | 7,739,159 | 4,056,588 | 11,795,747 |
| 1918 | 7,201,757 | 3,864,242 | 11,065,999 |
| 1917 | 7,031,530 | 3,508,046 | 10,539,576 |
| 1916 | 6,545,490 | 3,348,120 | 9,893,610 |

In 1900 there were 835,911 Bell-owned and but 20,000 Bell-connecting stations, making a total of 855,911 for that year. To-day there are more than 50,000,000 toll and exchange connections daily in the United States, or about one for every two persons in the country. Incidentally, the total has about doubled since 1911. In 1900 the connections totaled only 5,818,000, made up of 5,669,000 exchange and 149,000 toll connections.

## Public Service Corp. Earns $6.45 on Stock

**From Our Own Correspondent.**

MONTREAL. —The net earnings of the Public Service Corporation of New Jersey for the year 1925 amounted to $6.45 per share on the common stock. In its annual report, the company announced extensive building operations and the purchase of securities of subsidiary companies during the year.

The combined results of the company's operations follow:

| | |
|---|---|
| Oper. revenue of subs. | $94,715,525 |
| Oper. exp., deprec., etc. | 69,675,644 |
| Operating income | $25,039,880 |
| Non-operating income | 2,057,051 |
| | $27,096,932 |
| Income deductions | 13,965,557 |
| Net income of subs. | $13,131,374 |
| P.S. Corp. of N.J. inc. | 2,208,836 |
| Total | $15,340,211 |
| P.S. Corp. inc. deduct. | 4,743,836 |
| Net income P. S. Corp. of N. J. and subs. | $10,596,374 |
| Net increase in surplus after all appropriations and dividends | $ 1,990,039 |

"The year 1925 has represented substantial evidence of a favorable public attitude toward public service enterprises," said President Thomas N. McCarter, in commenting on the report "In this the corporation is reaping the benefits of the policy of popular ownership adopted in 1921, and of cultivation of goodwill through various service departments, and by full and frank publicity in connection with all of its affairs."

## Public Utility Earnings

**Northern Mexico Power**

| January— | 1925 | 1926 | Incr. | Per Cent. |
|---|---|---|---|---|
| Gross | $75,746 | $102,547 | $26,801 | $35.38 |
| Net | 56,931 | 83,738 | 26,807 | 47.08 |

**Jamaica Public Service**

| January— | 1926 | 1925 |
|---|---|---|
| Gross Earn. | $56,790 | $54,224 |
| Net Earn. | 22,724 | 21,653 |
| Sur. After Charges | 16,477 | 14,832 |
| 12 Months ending Jan. 31— | 1926 | 1925 |
| Gross Earnings | $627,841 | $583,192 |
| Net Earnings | 237,185 | 191,086 |
| Sur. after Chgs. | 158,581 | 112,636 |

## Sees Gas as Ultimate Fuel For Heating of Homes

From the standpoint of fuel conservation and smoke abatement, gas is the ultimate fuel for house heating, and sooner or later will be very largely used, according to William L. Hoyt, engineer of the industrial sales department of the Rochester Gas and Electric Corporation, Rochester, N. Y.

"Gas home heating is admitted to be the perfect heat for the home," says Mr. Hoyt. "Gas is the easiest fuel to burn. It may be readily controlled. The fuel supply is always at command with the continuity assured by the local gas company. The basement, instead of being devoted almost entirely to a heating plant and fuel storage, will be spotlessly clean and suitable for a play-room, den, or whatever the owner wishes.

"The present trend in gas manufacture points to a cheaper product which will greatly increase the yield. This is the goal of every gas company. The manufacture of gas is, of course, a matter of quantity production and, consequently, the future price will have a decided downward trend, while the price of solid fuels has always followed the law of supply and demand and must steadily increase."

## PORTO RICO HAD VERY GOOD YEAR AS TO NET PROFIT

### Showing on the Common Shares is 3.44 Per Cent.

The annual report of the Porto Rico Railways Company for 1925 shows net income from operations, after providing for depreciation, of $371,710, which is increased to $383,961 by income from other sources. Without definite figures as to the amount allowed for depreciation, satisfactory comparison with the previous year cannot be made. In 1924 the operating profits were $544,514, with $16,484 of other income, from which there was deducted $140,126 for depreciation, leaving a net figure of $420,872, compared with the $388,961 for 1925. For reserves the sum of $33,000 was set aside compared with $130,000 in the previous report, leaving for dividends $173,432 compared with $110,272. After payment of $70,000 in preferred dividends there was added to the surplus the sum of $103,432, making a total of surplus of $794,926. Following are comparative figures:

| | 1925 | 1924 |
|---|---|---|
| Operating profits | x$371,710 | $544,514 |
| Other income | 12,251 | 16,484 |
| | $383,961 | $560,998 |
| Depreciation | ....... | 140,126 |
| | $383,961 | $420,872 |
| Bond interest | 177,529 | 180,600 |
| Reserves | 33,000 | 130,000 |
| | $173,432 | $110,272 |
| Pref. div. | 70,000 | 70,000 |
| | $103,432 | $ 40,272 |
| Bal. forward | 691,494 | 651,222 |
| Surplus | $794,926 | $691,494 |

xAfter depreciation.

The $103,432 carried forward represents 3.44 per cent. on the $3,000,000 of common stock. The total surplus of $794,926 represents close to 26½ per cent. on the common stock.

With current assets of $688,256 and current liabilities of $336,618, the working capital of $351,638 compares with $270,489 at the end of 1924. Following are comparative figures:

| | 1925 | 1924 |
|---|---|---|
| Current assets | $688,256 | $565,444 |
| Current liab. | 336,618 | 294,955 |
| Working capital | $351,638 | $270,489 |

The following comparative figures indicate the expansion of the company's business in the electrical field and a decline in the business of the railroad:

**Electrical Business**

| | 1925 | 1924 |
|---|---|---|
| Municipal Lamps | 5,961 | 5,961 |
| Comm. Lamps | 180,781 | 168,482 |
| Appliances | 19,641 | 19,046 |
| Comm. Motors | 8,829 | 8,326 |
| Fans | 2,389 | 2,371 |
| Total load (50-watt. equiv.) | 504,069 | 471,973 |

**Railroad Traffic**

| | 1925 | 1924 |
|---|---|---|
| Passengers carried | 2,611,748 | 3,935,713 |
| Pass. cars, miles | 891,708 | 1,092,260 |
| Pass. Earn. per mile | 14.47 | 17.96 |

During the year the first mortgage bonds outstanding were reduced by $63,500 in compliance with the terms of the contract. The issue was originally for $3,000,000, and has now been reduced by $792,000, leaving outstanding a total of $2,208,000.

The company's assets total $8,888,221. The cost of properties owned and operated by the company is $9,842,584, which has been reduced to $8,174,887 by the depreciation reserve of $1,667,697.

The company shares of the Porto Rico Railways Company have recently been selling around 46. This compares with a low of 17 in 1924 and 15 in 1923. In 1914 the shares sold up to 69.

### NORTH STAR OIL

WINNIPEG.—Showing net profits of $131,490, the North Star Oil and Refining Co., Ltd., experienced the best year in its history in 1925. After payment of dividends upon preferred stock, the balance sheet shows a surplus of $90,693 as compared with a surplus at the end of 1924 of $39,840.

The business last year was substantially greater than in previous years, the report states. While the gasoline market was somewhat unsettled, a fair margin of profit was maintained throughout the year.

### ALBERTA COAL PRODUCTION INCREASED

CALGARY.—The total coal production from the mines of Alberta during the past year amounted to 5,883,394 tons, or 679,681 tons more than the total for the preceding year. Last year's figures were made up as follows: Domestic coal, 3,156,359 tons; sub-bituminous, 581,835; and bituminous, 2,145,200.

## NORTHERN CANADA GROSS INCREASED

### Operating Expenses Are Up—Deficit of $177,817 After Dividend Payment

**From Our Own Correspondent.**

MONTREAL.—The annual report of the Northern Canada Power Company for the year ending December 31, 1925, shows a decided increase in the gross revenues and a decrease in the net earnings. The investment interest in the report lies in the payment of dividends to the parent organization, the Canada Northern Power, whose annual report for the past year will appear shortly.

The payment of this dividend by the subsidiary left a deficit of $177,817; this, together with deductions for bond discount and the settlement of the lawsuit, reduced the surplus account to $110,634. The increase in operating expenses during the year was largely attributable to the water lease rentals payable to the provincial government by the company's subsidiary, the Quinze River Power Company.

There were many changes in the balance sheet. Amongst the assets, call loans of $90,000 made an appearance, the cash account was down from $305,694 to $5,495, and $635,897 appears as being held by the trustee for the bondholders. In the liabilities, the funded debt has been increased by over $2,000,000 to allow for the company's expansion program, the loan from the parent company, amounting to $1,000,356 last year, has been reduced by almost half and the surplus account reflects the various necessary deductions. The changes in the balance sheet resulted in a decided improvement in the working capital position.

The profit and loss account and working capital figures follow:

| | 1925 | 1924 |
|---|---|---|
| Power sales | $1,031,079 | $ 934,585 |
| Misc. inc. | 1,534 | 275 |
| | 1,032,613 | 934,860 |
| Oper. expenses | 314,187 | 172,251 |
| Taxes | 10,269 | 11,000 |
| Oper. profit | 708,157 | 751,609 |
| Deduct: | | |
| Bond interest | 301,178 | 127,736 |
| Other interest | 85,432 | 20,678 |
| Deprec. reserve | 274,364 | 317,849 |
| Net profit | 47,183 | 285,346 |
| Dividends | 225,000 | |
| Balance | *177,817 | 285,346 |
| Prior surplus | 1,052,858 | 1,094,681 |
| Total | 875,041 | 1,380,027 |
| Sundry deduc. | ...... | 327,169 |
| Settlement of law suit | 575,000 | ...... |
| Bond disct. | 189,407 | ...... |
| P. & L. bal. | 110,634 | 1,052,858 |

* Debit

**Working Capital**

| | 1925 | 1924 |
|---|---|---|
| Current assets | 234,459 | 459,011 |
| Current liabilities | 176,425 | 440,592 |
| Net work. cap. | 58,034 | 18,419 |

**MINING INDUSTRY EXPANDS**

In his remarks to shareholders, President A. J. Nesbitt states in part as follows:

"To further consolidate the operations of your company, the assets of your subsidiary, Lower Sturgeon Power Company, Limited, (all of which shares were previously owned) were taken over and the company wound up.

"During the year considerable capital expenditure was undertaken, chiefly at the sub-station at Schumacher, Ontario, where additions and extensions were installed to provide better service to your company's customers, and by construction of a 110,000-volt transmission line from Elk Lake to the Gowganda area. This latter line has been placed in operation since the close of the fiscal year, and it is anticipated that additional business obtainable there will considerably augment the company's revenue.

"The mining industry of Canada, from which industry your company derives its revenue, has in the past year made great strides. Production of the precious metals of the province of Ontario during 1925 amounted to approximately $37,000,000. The recent important discoveries of copper and gold in the north-western part of Quebec should lead to a further expansion of this industry. As soon as conditions warrant, it is the intention of your board to authorize the extension of your company's transmission lines to serve the afore-mentioned areas."

An Old Institution

This institution was established before Confederation. It has been in constant and intimate touch with the growth of the West. It offers the benefit of this long experience to those who look toward the Pacific Coast for safe and conservative investment in mortgages, real estate, securities, etc.

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# News of the Mines: A Department for Executives and Investors

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

## MANITOBA AREA LOOKS VERY RICH TO THE PROSPECTOR

### Prospector Writes in Regard Developments—Outlook Very Bright

The following article on Northern Manitoba mining developments was written for The Financial Post by one of the leading mining men of the country, who has just concluded a tour of the whole mining area of Manitoba.

Manitoba is now enjoying the first permanent mining within its boundaries back in the south-eastern part of the province and the north-western section.

In the south-eastern section, embracing the Long Lake, Bull Dog Lake section is the N. A. D. property which has been developed to a depth of 375 ft. and has shown values consistant with the high grade Kirkland Lake ores. A mill will be erected on this property during the year, as development has gone far enough to warrant it.

To the east of the N. A. D. is the Criderman property of Mining Corporation, where a large crew are at work and a shaft is now being sunk. It is understood the values obtained were so extremely high that resampling was done to safeguard against salting; the checks were as highly satisfactory as the original sampling.

The Victoria Syndicate has just completed a deal involving $200,000 in this section and work has commenced on their property also.

This section is, no doubt, a continuation, or rather the Red Lake district is a continuation of it as the Long Lake, Bull Dog Lake section was discovered first.

**Red Lake to East**

Red Lake lies about 50 miles east of this section and when one considers that the values here have been so high, it is only natural that Red Lake should also have wonderfully high values.

With this section now in the hands of such strong financial groups, development will proceed upon a scale never before entered into in this section, and Kirkland Lake will no longer be the real high grade camp, as right here is a real competition.

Supplies are being rushed into camp for the summer from Winnipeg.

**Northern Manitoba**

In Feb., 100 tons more of the Flin Flon ore was sent to Denver for further testing purposes, and a small pilot smelter will be erected at Flin Flon this summer to test the ores out on a commercial scale. The process is a new one and is owned by the Complex Oven Co., of Denver, Col. This new process is a much cheaper one than any at present in use, and as it is necessary to separate the zinc copper ores, it is of vital importance to reduce the loss of each content as much as possible as the grade of ore at Flin Flon is $1.80 gold, $1 silver, 2¼ per cent. copper and 5 per cent. zinc, giving a net value of $13 to $15 per ton.

The tonnage developed to this 1,000 ft. level is over 20,000,000 tons or $226,000,000.

The supplies for Flin Flon will be taken in this summer at a rate as low as the winter rate was made by the Ross Navigation Co. By raising the water of Lake Athopopieskow 4 feet it was found freight can be delivered within two miles of the Flin Flon mine, by an all water route excepting a 16 mile portage from Sturgeon Landing to camp of Lake Athopopieskow.

The road is all cut and ready for trains, having been ditched and widened out during 1925.

The most important development in Manitoba, however, is the Sherrifs Madole property at Coal Lake, 30 miles north of Flin Flon. This property is under option to Messrs. David Fasken, of Toronto, and E. P. Earle, of New York, who became interested through J. U. Gordon, of The Pas.

**Made an Offer**

The Mining Corporation sent an engineer to see the property and an offer of $50,000 was made; it was rejected, however, by the owners, and then Mr. Gordon made an offer of $300,000 and a $10,000 cash payment, which was accepted, Mr. Gordon putting up the money personally. He then went to New York and interested Messrs. Earle and Fasken.

Two diamond drills and a large crew of men were sent in to the property. Camps were built, and diamond drilling was commenced Feb. 1. Since, five holes have been put down all in ore.

The ore has been exposed by trenches for a distance of one and a half miles and has a width of from 40 to 70 ft., the ore contents varying from high grade copper to zinc in places.

The ore is of a much higher value in ore metals than the Flin Flon ores and many think it will now be the larger and more valuable property, at least the values are from three to five times higher than the ores at Flin Flon.

**Another Flin Flon**

The Coal Lake district has had several good zinc finds made, and it has great promise of developing into at least another Flin Flon.

Transportation has been the great drawback to Northern Manitoba. However, Premier Bracken took the matter up in his speech from the throne and if the Canadian National do not build it the Manitoba government will.

The C. P. R. have surveyed also from Nipuion to the Flin Flon mine, a distance of 131 miles, while the distance for a railroad from mill No. 7 on the Hudson Bay line would mean a line 78 miles in length, which will pass through a large part of the mineral belt.

Northern Manitoba will experience a rush this summer, as many of the larger American mining companies have their engineers up there looking at all new finds, and some have large prospecting parties out.

The Mandy mine which shipped 3,000,000 in high grade copper ore in 1917-18-19, will reopen and further develop its property, as they have left in the mine many millions in zinc and copper ore, also the Callinan McKay Exploration Co. will diamond drill their property during the summer.

The future of Manitoba's mining is now assured, and by the most powerful companies engaged in mining, this means that the development will proceed without recourse to the public for funds, being a situation entirely unique.

## Dome's Red Lake Gamble is on Ore Carrying Down

### Surface Work Has Revealed Commercial Ore Over Good Length and Great Widths — Camp Off to Good Start

Red Lake camp is off to a much more favorable start than has fallen to the lot of most of the new camps of the past. Like Rouyn, the first big deal in the camp has been consummated, Dome having taken up its option on Howey Red Lake and Red Lake Prospectors holdings, 32 claims in all.

Last week The Financial Post stated that Dome would take up the option. There was just one possible hitch: that Dome would try and cut the 25 per cent. interest which the vendors were retaining. Among mining men the cash involved, $500,000 purchase price and $1,000,000 for development, was not regarded as heavy but they did expect to see Dome try to reduce the interest retained. Lake Tremoy Syndicate which sold Horne property to Noranda retained a 10 per cent. interest.

Howey Gold Mines, a $5,000,000 incorporation, is being organized by Dome to handle the Red Lake operation. Of this the vendors get 1,250,000 shares and Dome will take down the balance for the $1,000,000 it will put up for working capital. Howey syndicate holders will thus receive $100 for each share unit, payments to be spread over two years and the interest retained is equal to 250 shares of stock per unit.

There have been rumors that there was some change in the 25 per cent. interest in Dome's favor, but this has not been confirmed, as the terms of the deal as finally consummated were not announced.

Much has been written about the properties which Dome has optioned. They are the original stakings in the camp. From details given out from time to time, it would seem as if the Dome's gamble is much the same as that taken by A. D. Miles, of Anglo-Canadian Explorers, for John Taylor and Sons, London. It is on the ore shoots carrying to depth. From the information which Mr. Hammill has given out it would seem as if Dome has length, width and commercial values on surface. Dome is taking in diamond drill outfits so that it will not take long to find out if the ore deposition continued downward.

The conclusion of the Dome deal was of importance to a great many people. There were several deals on tap which hung fire for days waiting to see if Dome thought well enough of the camp to go ahead. Wednesday afternoon saw most of these consummated.

The closing of the Red Lake option by Dome is the first real venture of the big company into a new property. Dome has examined a lot of properties and on numerous occasions has been on the verge of a deal only to drop out. Like Hollinger, McIntyre and Nipissing, it has been into most of the new camps, saw new companies take up properties and make good, while it stayed with its original property.

Dome is in a strong financial position to handle the Red Lake venture. Its cash position is excellent. The deal should in no way interfere with the dividend position of Dome, for while the company has been barely earning its dividend, there is a substantial dividend assurance fund which will take care of any deficits in dividend earnings for some time to come.

**MINING STOCK QUOTATIONS**

**Week Ending March 16**

| | High for week | Low for week | Close Mar. 16 | Close Mar. 9 | Sales for week |
|---|---|---|---|---|---|
| Abana | 30 | 30 | 30 | .. | 50 |
| Amulet | 1.20 | 1.05 | 1.10 | 1.00 | 43040 |
| Apex | 4¼ | 3¾ | 3¾ | 4 | 4600 |
| Algonquin | 2 | 2 | 2 | 1½ | 1500 |
| Argo. Cons. | 34 | 32 | 33 | 33¼ | 62350 |
| Atlas | 5 | 3½ | 3¾ | 4 | 32330 |
| Area | 26 | 22 | 24½ | 33 | 14150 |
| Bourlamaque | 9.20 | 9.00 | 9.20 | 9.00 | 16695 |
| Baldwin | 3¼ | 2½ | 3 | 2½ | 94700 |
| Barry Holl. | 42 | 40 | 41½ | 41 | 73150 |
| Beaver | 78 | 71½ | 74 | 74 | 46550 |
| Bidgood | 9¼ | 8 | 8 | 7 | 19500 |
| Chaput H. | 18½ | 17 | 18 | 19 | 14100 |
| Buckingham | 3 | 3 | 3 | 4 | 1000 |
| Can. Lorrain. | 82 | 77 | 82 | 78 | 32800 |
| Castle Tre. | 1.65 | 1.59 | 1.63 | 1.60 | 46912 |
| Capitol | 46 | 44 | 45 | 44½ | 74950 |
| Clifton | 3 | 3 | 3 | 3 | 500 |
| Coniagas | 4.15 | 4.00 | 4.05 | 4.20 | 725 |
| Coniarum | 3.75 | 3.75 | 3.75 | 4.00 | 300 |
| Col. Kirkland | 4¼ | 3¼ | 3½ | 4 | 47500 |
| Cons. Smelt. | 216½ | 193⅜ | 210½ | 194 | 44281 |
| Con. W. Dome | 22¾ | 21½ | 22 | 21½ | 113500 |
| Crown Res. | 18 | 17½ | 18 | 18 | 114900 |
| Davidson C. | 3 | 2 | 2¾ | 3 | 3500 |
| Dome Mines | 19.95 | 18.50 | 19.60 | 18.60 | 45535 |
| Everett | 10 | 8½ | 8¾ | 9 | 144100 |
| Gold Hill | 38½ | 28 | 37 | 38 | 35500 |
| Goldale | 34¾ | 33 | 34 | 33 | 21800 |
| Gold Reef. | 8 | 2½ | 2¾ | 3 | 19000 |
| Don Rouyn | 30 | 30 | 30 | 25 | 100 |
| Hillcrest pref. | 83 | 83 | 83 | 83 | 20 |
| Hollinger | 18.90 | 18.30 | 18.80 | 18.35 | 6300 |
| Laval | 32½ | 30 | 30 | 31 | 44900 |
| Indian | 10 | 7 | 7¼ | 10 | 35000 |
| Kirk. Hun. | 28½ | 28 | 28 | 28½ | 21550 |
| Int. Nick. cm. | 40 | 36½ | 37¾ | 39¼ | 2150 |
| Keeley | 1.57 | 1.50 | 1.56 | 1.50 | 29250 |
| Keora | 12 | 11 | 11½ | 11½ | 82500 |
| Kirk. Lake | 1.13 | 1.06 | 1.07 | 1.05 | 40380 |
| Lakeside | 2½ | 2 | 2 | 2½ | 88000 |
| Lake Shore | 10.80 | 10.30 | 10.40 | 10.20 | 3290 |
| La Rose | 25½ | 23 | 23 | 25¼ | 25600 |
| Lorrain | 9 | 8 | 8 | 8¾ | 34300 |
| Lorrain T. L. | 1.03 | 1.00 | 1.03 | 1.00 | 1500 |
| McKinley | 21¾ | 19 | 19 | 21 | 37375 |
| McIntyre | 26.00 | 24.75 | 25.25 | 24.80 | 9090 |
| Mont. Rouyn. | 40 | 38 | 38 | 40 | 600 |
| Mining Corp. | 3.95 | 3.82 | 3.82 | 3.80 | 12725 |
| Moneta | 15 | 15 | 15 | 16 | 3000 |
| Newray | 40 | 38 | 38 | 39¾ | 6100 |
| Nipissing | 6.50 | 6.05 | 6.05 | 6.45 | 2185 |
| Night Hawk | 7¼ | 6½ | 7¼ | 6½ | 21076 |
| Ophir | 2½ | 2 | 2 | 3 | 8500 |
| Pet. Lake | 3 | 2½ | 3 | 4 | 3300 |
| Porc. Crown | 9 | 8½ | 9 | 6½ | 10000 |
| Premier Gold | 2.60 | 2.26 | 2.30 | 2.60 | 23110 |
| Preston | 8 | 7 | 7 | 8 | 28900 |
| Teck Hughes | 3.40 | 3.15 | 3.15 | 3.20 | 58412 |
| Thomp. Krist | 2½ | 2 | 2½ | 2 | 4200 |
| Timiskaming | 12 | 12 | 12 | 12 | 1000 |
| Tough Oakes | 64 | 51 | 52½ | 53 | 600500 |
| Rouyn | 4¾ | 3 | 4 | 3¾ | 138250 |
| Vic. Silver | 9½ | 8 | 8 | 9 | 55900 |
| Vipond Cons. | 1.60 | 1.62 | 1.66 | 1.61 | 43902 |
| Wakenda | 1½ | 1½ | 1½ | 2½ | 1000 |
| Wasapika | 2¾ | 2½ | 2¾ | 2½ | 4000 |
| West Tree | 3¼ | 3 | 3¼ | 3 | 15400 |
| Wettlaufer | 4½ | 4½ | 4½ | 5 | 5000 |
| Wright Har. | 8.70 | 8.50 | 8.50 | 8.50 | 2780 |
| Millcrest | 21 | 19 | 20½ | 19½ | 94200 |
| Noranda | 14.40 | 13.00 | 13.25 | 13.90 | 18236 |
| Vickers | 60 | 54 | 55 | 60 | 10800 |
| Rouyn Que. | 4 | 3 | 4 | 3 | 2800 |

## Talk of Stock Split for Smelters Revived

The report that a split up of Consolidated Smelters stock is to be made has again been revived and is going the rounds. The talk now is that shareholders will get five new for one old. The present $25 shares are now fluctuating narrowly around $209 per share. Together with the rumors of the stock split one hears many guesses as to what would be the dividend rate for the new shares, the amount spoken of ranging from $2 to $3 per share, which would be from $10 to $15 per share on the present stock. Smelters' annual report should make its appearance soon. Falling lead prices are focusing attention on the operation. Because of low costs, it can produce when many other operators will have to close, and at the same time cheaper lead will result in a greater consumption and demand for the product.

## GOOD NEWS ON TOUGH-OAKES TO COME BY JUNE

### In That Time Deep Exploration Should be Carried Out

The shorts have made a raid on Tough-Oakes this week. With a none too enthusiastic meeting as a background, there has been wholesale short selling of the stock. The price is down now around 50 and whether it will be hammered lower or not remains to be seen. The latter would seem to be a possibility as there was not much encouragement at the annual meeting to induce new buyers to enter the market. One wonders if the official report was not a little pessimistic. The impression one gets on the street is that the shareholders were told at the annual meeting that the property is still very much in the prospect stage. Some express fear that the company's finances will run out before they are able to make a mine of it. However, this may be an extreme pessimistic view, as the work going on east of the fault may break into good ore any time.

The impression left by the meeting was that the recent developements to the east have been encouraging. It was made quite plain that the hope of making a big mine lies in this eastern part of the property. Mr. Stuart's plan is to push the sinking of the incline shaft to the 1,400 horizon, which he estimates will take about 9 weeks to complete and then the lateral work at that horizon. On a 1,025 level east of the dyke one vein has been followed 300 feet. Evidently, this was not commercial ore, however, because as the report says there is every reason for expecting a similar deposition at the 1,225 level; however, the possibility as indicated by the recent developments being of commercial ore. The change in the nature of the rock, the appearance of the vein matter, shows such marked improvement of conditions that hopes of encountering improved conditions appear to be absolutely justified. Mr. Stuart goes on to say that in addition it is now proven that a similar flat vein, such as produced all the high grade in the west, also exists to the east and apparently the flat veins on the east become ore bearing at some points between 1,025 and 1,225 level. When it is borne in mind that the whole change for the better in regard to the flat veins in the west occurs in a physical depth of less than 75 feet, with the improvement becoming more marked below the 1,025 level, there is apparently good reasons for being hopeful as to the completion which will be found to the east as developments penetrate territory over a vertical depth of at least 300 feet in width where better conditions are known to exist and where now highly encouraging bodies of ore have just been found.

From this then it would seem that the real encouraging news may be expected on Tough-Oaks some time after June.

## INTERNATIONAL COAL HAD FAVORABLE YEAR

### Deficit of 1924 Was Replaced With Substantial Operating Profit

International Coal's report shows an improved position. The operating profits for 1925 were $124,659, and other profits $18,008, or $142,667, which replaced a 1924 loss of $9,582.

Current and working assets total $357,436, against $280,824 for the previous year, and current liabilities at $45,526 compare with $57,529. Investments are carried at $70,871; coal lands at $2,183.819, and plant and equipment at $786,934.

President A. C. Flummerfelt states that the mine worked 156 days during the year, employing on an average 344 men, and produced 178,542 tons of coal. In accordance with plans arranged earlier, the directors during the year authorized the letting of a contract for a new steel tipple and dry-cleaning plant, both of which are now in course of construction, and which it is anticipated will be in operation during April.

"During the year," the president proceeds, "the Coleman Light and Water Co. was organized for the purpose of supplying adequate water and light requirements for both the company and the citizens of the town of Coleman. This plan is now in operation, and has cost to date approximately $100,000. The public utilities board of the province of Alberta has authorized the company to charge such rates, if deemed advisable, as will yield an amount not exceeding 8½ per cent. on this investment.

"The total amount of coal available and blocked out on the property as at December 31 last, was 7,663,946 tons, of which there is immediately available 1,811,599 tons. The development of the mine has been more than maintained during the year, and the present physical condition is good."

## Another High Grade Find Made on Green Meehan

Cobalt Contact has opened out another high-grade vein on the Green Meehan property. It is a cross vein, No. 9, which was drifted on from where it crossed Vein No. 1 on the 100-ft. level. For 160 ft., over a width of about four feet, the vein carried 20 to 30 ounces of silver and then came in with a high-grade shoot of 3,000 ounces, and showing a width of three inches.

The new mill building and crusher house have been completed, and it is expected that the machinery will be in place and ready to turn over in about six weeks' time.

## ARCHEAN'S PLANS FOR BIG HOLDINGS

### Supplies Going Into Clericy, Que., and Exploration Will Soon Start

Much interest is being taken in the plans for the development of the Archean (Harvie) properties in Northern Quebec, both by mining men who anticipate a very interesting outcome of the exploratory work now going forward, and by investors. It is understood that supplies and equipment are being taken in, and camps are being built, for the accommodation of 50 men, who will be engaged in intensive development to be undertaken by Harvie Mining Company.

According to Doctor Harvie, the first operations will be directed to tracing the extension of the ore body developed in the southeast claim, which has obviously been broken by a fault. The fact that a second body has been partially disclosed at an almost equal distance from the granite contact in the strike of the volcanic floe which parallels the contact, is ground for the expectation that further extensions will be found. As this situation exists and is marked by definite indications for a distance of two miles, the possibility of co-relation is arousing great interest.

## NORANDA FINANCING IS DISAPPOINTMENT; MORE EXPECTED

### Shares Have Declined to 13—Public Gets Chance at One For Ten

The market for Noranda shares of $15 would seem to register considerable disappointment over the recent financing. The right of shareholders to take up one new share at $10 for every 10 held, means a profit of $3 for each one hundred and thirty dollars' worth of stock now held. The main disappointment seems to be in the fact that the company is going to carry ahead without any subsidiaries. Shareholders had pictures in their minds of at least two companies. There would be the Horne Copper Company and also a smelting company. They expected that valuable share rights would accrue to shareholders in each of these subsidiaries and that profits would quickly mount up to the point where they would have their original holdings for nothing. Such is not to be from the new financing. Hollinger, which gets a 30,000 share bonus, or at the present market $390,000 worth of Noranda stock, and the Noranda Company which is getting its money pretty cheap seem to be the ones which will benefit most.

President A. Y. Murdoch said 163,400 shares would be sold to shareholders if they desired to take them up on the basis as announced above. This will provide the company with $1,634,000. The president says that warrants will be issued and undoubtedly there will be trading in these,— around 25 cents. What stock shareholders do not take up, Mr. Murdoch says has been underwritten by a syndicate.

**Why the Disappointment**

One can understand, in some measure, the disappointment of the shareholders. Very generous treatment was accorded on the split up of the original Noranda stock on the basis of 100 new for one old and the new stock sold up to $18. There were all kinds of predictions of $20 to $25 and undoubtedly this would have been achieved had these been bonuses of stock in subidiaries alloted to the shareholders.

Two rather interesting statements are contained in the recent interim report of the managing directors of the company. One is the view that the ore of the Horne property is deep seated, and the second is the announcement that zinc ore in commercial quantities has been found at the 140 foot level. This ore body was first cut by diamond drill in a crosscut and shows a length of 65 feet averaging 10.6 per cent. metallic zinc, and of this 32 feet averages 24 per cent. There are only traces of copper in it. The body is known to have vertical dimensions of at least 170 feet. The report also deals with the finding of 38 feet of 20 per cent. copper on the third level and this is thought to have some connection with the ore of good grade which was cut by the diamond drill at the 450 and 740 foot vertical depth.

It is announced that a new central three compartment is to be built by raising up the third level and also that A. E. Waring, consulting metallurgical engineer, has been employed to design a smelting and flotation mill of 1,000 tons capacity.

## PREMIER'S EARNINGS DECLINED $708,124

### High-grade Exhaustion is the Explanation—Nothing New on New Shoots

Premier Mines' earnings in 1925 fell off $708,124 to $2,013,481. Exhaustion of high grade ore is the explanation. It was because of this condition that the company doubled its milling capacity to handle low grade ore. This expansion should be complete by April and should bring the earnings total up.

The estimated ore reserves as at December 31, 1925, according to the managing director, H. A. Guess, are as follows: Ore broken in stopes, 243,511 tons, averaging 0.64 ounces gold and 14.7 ounces silver. With gold at $20 per ounce and silver at 60 cents per ounce, this represents a gross value of $21.62 ton. Assured and probably unbroken ore down to the fourth level of the present mine workings, 316,484 tons, averaging 0.52 ounces gold and 13.6 ounces silver. With gold at $20 per ounce and silver at 60 cents per ounce, this represents a gross value of $18.56 per ton.

Current assets total $1,782,561, against current liabilities of $855,699. Capital stock amounts to $5,000,000 par value; capital surplus $1,246,829, and unrealized surplus from appreciation $4,000,000. Capital distribution to date totals $4,013,076.

**MILLCREST BUYS PLANT**

Millcrest in Gowganda has ordered a gasoline plant capable of going down to 500 ft.

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# News of the Mines

## OIL SHARES MOVE RAPIDLY AS WILD RUMORS CIRCULATE

### Calgary Has Repetition of Old 1914 Boom—Drillers Make Progress

Calgary is in the grip of another wild oil boom. Calgary reports tell of the circulation of a false rumor in regard to Vulcan Co. bringing in a gusher, which resulted in a section of the public proceeding to go mad. Presumably it was a repetition, in a small way, of the scenes in Calgary back in the boom of 1914. As interest gains momentum, the price of oil shares rises. Shares of some companies are selling from $10 to $20. Royalite Oil shares are now reported to be changing hands at $240 to $250 a share.

In the rush to buy Vulcan shares, three women are reported to have been knocked down. In addition to the demand for shares there has been a rush for new leases surrounding the Turner Valley field. In one day 7,500 acres were taken up.

Oil men from Oklahoma, Texas, Wyoming, California, are said to be arriving in the field in large numbers and many leases are changing hands. Many new incorporations are making their appearance.

Spring work is getting under way in the Wainright field. Central Alberta Oil and Gas Association, through J. O. Williams, secretary, outlines progress made by the drillers of the various wells. Considerable new drilling is to be undertaken. Recently a couple of new wells were "spudded in."

**Results of Drilling**

Chas. C. Ross, Calgary, department of the Interior engineer, says that if one more well equal to Royalite 4 is brought in at Turner Valley, he doubts if anyone can prophesy what developments will follow:

So far 326 wells have been started in the search for oil in Alberta. Of these, 137 obtained gas and 10 obtained oil in commercial quantities, while 55 obtained shows of oil or gas, or oil and gas. Many of the others were never completed, while a number of the remainder will be repaired and deepened.

Calgary announcements by a number of new companies that they would start drilling operations this season in the Turner Valley oil field marked the past week. Among the companies announcing new drilling are McLeod Oil Co., No. 3 well on L. S. D. 15, section 1-20-3, W 5; Elbow River Oil Co., well in Moose Mountain field; Sentinel Oil Co., well in Turner Valley south of original Dingman; Mills City Oil Co., well on L. S. D. 2; section 34-20-3, W5; the most northerly location in Turner Valley; Highland Oil Co., location near Royalite No. 6 in Turner Valley. A derrick is being built by the Great West Oil Co. on the southeast quarter of section 7-20-2, W5.

**Test Indian Reserve**

In addition to these wells a number of companies have derricks at varying stages of construction. Others are at work cleaning out old holes that will be deepened. One company is preparing to test oil possibilities on the Morely Indian reserve, on the continuation of the Moose Mountain structure within sight of the C. P. R. main line.

There is no sign of a cessation of activities and many companies holding valuable acreage are either making plans to drill themselves or considering leasing propositions from parties ready to undertake drilling.

The Vulcan is making steady progress during the week. The Vulcan hole is now down 4,085 feet with 8¼ inch casing. At the McLeod No. 2 the flow of gas and oil struck at 3,354 feet has not yet been capped off and drilling has not yet been resumed. It was necessary to move the boilers farther from the hole after the last gas strike was made, owing to the danger of fire. However, this company intends to continue drilling. They are building a derrick for their No. 3 hole.

**Ready for Pressure**

At Illinois-Alberta, which has not been drilling for some days, the Braiden-heading is now complete and the well is in shape to withstand heavy pressure. The hole now stands at 3,270 feet. The 6¼ inch casing is at the bottom of the hole and will be carried down as far as possible. The company is preparing to run 4¾ inch casing when necessary and finish the hole with this size.

In order to control the share dealing situation in Calgary responsible brokers have revived Calgary Stock Exchange. One of the duties of the manager will be to obtain frequent and accurate information from the field. in which way it is hoped to counteract the many rumors that are now started to influence stock sales. The exchange, it is hoped, will stabilize share prices, which now show a wide variation at different brokers' offices.

**Fishing Job**

Number 5 Royalite had a fishing job that stopped drilling for the best part of the week. The hole is down 2,979 feet. The Imperial well at Jumping Pound, west of Calgary, which is called Bow River No. 1, made good progress and last reported a depth of 532 feet. The Imperial well at Coalspur, west of Edmonton, remains idle so far as drilling is concerned. The crew is still working with the 6 inch casing. The well is down 4,035 feet.

At the Dalhousie wells (subsidiary company of the Imperial that took over Southern Alberta and associated holdings), the crew is still cleaning out No. 3 well, depth 3,208 feet, preparatory to going deeper, and similar operations will start in the near future at No. 1 well, depth 3,545 feet.

## Dunlop Holdings in Red Lake in Deal

A limited liability company is handling the financing of the group of 30 claims comprising the Dunlop Red Lake Syndicate. The shares are being offered in units. This property, 1,200 acres altogether, was staked by Major C. J. A. Cunningham Dunlop, who, until recently, was in charge of the field work for Coniagas Mines for a number of years. Major Dunlop resigned his position with the Coniagas in order to take charge of the exploration of the Dunlop Red Lake Syndicate operations.

### PROFESSORSHIP FOR MR. MATHEWSON

E. P. Mathewson, New York engineer, ex-president A. I. M. M., is moving to Tucson, Arizona, to be professor of mining administration, University of Arizona.

## Jack Hammill—Opportunist

One hears a lot about Jack Hammill in regard to Red Lake. Few know just where he stands. Jack might be called an opportunist, insofar as mining is concerned, but he is an opportunist in a different sense than that in which the word is generally used. It requires considerable backbone to be an opportunist of the Hammill variety. He has jumped into unproven mining sections and spent his money freely when the big companies would not take a chance.

Jack Hammill is an old timer among the mining men of the North. He has many claims to fame, but perhaps his first real one was in rounding out the interest in the Flin Flon deal and selling it to different companies and ultimately to Mining Corporation and the Faskens. Jack made a lot of money out of the proposition, as did the other prospectors, but it did not go out of circulation. While several of the big companies were fidgetting over the very attractive-looking proposition which had been opened on Harker property in Lightning River, Hammill jumped in with his own cash, launched a high-class economical mining operation and as one engineer recently stated he is now threatened with having a mine there.

The Howeys came out of Red Lake after staking the Howey Red Lake Syndicate and wanted somebody with some cash to go in and open up the property and help them handle it and the man to take the chance was Jack Hammill. It did not take Hammill long either to launch a good deal with the Dome. He is still very much of an enthusiast though around 45 years of age. He recently paid $22 to bring a 22-pound trout he caught in Red Lake, out to civilization by aeroplane.

Hammill is one of those men who is not afraid to gamble with his own money. He is a kind of pioneer that is all too scarce in Northern Ontario.

## KIRKLAND GOLD TO START MILL AFTER LEVELS ARE OPEN

### President Culver Reviews Progress—Company in Good Position

Kirkland Lake Gold Mines will soon start production again, Pres. F. L. Culver intimates in the annual report. He says the shaft has been deepened two more levels, stations cut at the 2,100-foot and 2,225-foot levels, and drifting can soon be started to encounter the rich ore which we have on the levels above. "When this work is completed," says the president, "I think your mine will be ready to enter the producing class. Work is being pushed on the Chaput-Hughes property which lies immediately to the south and which we believe will be a good producing mine when once opened up. Your company has an agreement with the Chaput-Hughes Company to the effect that upon the performance of certain work the control will be held by the Kirkland Lake Gold Mining Co., Limited."

The mill, says Mr. Culver, was built to handle 150 tons every 24 hours, but the capacity could be brought up to 300 tons daily with very little expenditure. The mill, he states, is practically ready for operation, very little overhauling being necessary.

**Cash on Hand**

Cash in the bank on December 31, 1925, amounted to $127,213, compared with $34,696 a year ago. Accounts receivable stand at $939, compared with $1,703 in 1924, and inventories and supplies are shown at $18,633, compared with $23,291. Total current assets made up of the above stand at $146,785, compared with $59,791 on December 31, 1924.

Developments account shows $158,254 spent for operation compared with $89,514 in 1924. Administration charges amount to $6,455 compared with $10,813 the previous year. These two make a total charge against development in 1925 of $164,710, compared with $100,168 in 1924. The total expenditure to date under this heading now stands at $622,303, compared with $457,593 at end of 1924.

The debit balance brought forward to profit and loss account from 1924 was $189,218. Out of this was paid interest on bank loans, amounting to $347, and rent amounting to $1,493, leaving a debit balance in profit and loss account on December 31, 1924, of $167,377, compared with $189,218 in 1924.

The following is a comparison of the principal items in the balance sheet:

| Assets: | 1925 | 1924 |
|---|---|---|
| Mining props .... | $1,000,000 | $1,000,000 |
| Buildings, plant .. | 340,658 | 308,151 |
| Int. in Chap,-Hughes | 5.000 | 5,000 |
| Current assets ... | 146,785 | 59,691 |
| Dev. expenses undistributed ..... | 622,303 | 457,593 |
| Insurance prepaid | 2,433 | 2,648 |
| Total assets ... | $2,117,180 | $1,833,684 |

**Tyrrell's Report**

Managing Director J. B. Tyrrell reports on operation in 1925: The central three-compartment shaft was sunk to a depth of 2,075 feet, and stations were cut at the 1,725, 1,850 and 1,975 foot levels. He thus describes operations at the 1,975-foot level:

"A cross-cut was driven southward from the shaft for 185 feet. As 121, 142 and 165 feet, veins were encountered, and it was decided to drive eastward on the most northerly of the three. From the drift on this north vein, at a distance of 100 feet east of the main cross-cut, a cross-cut was driven southward to the south vein, and again at 200 feet east of the main cross-cut, a cross-cut was driven south to the same south vein, and this time very rich ore was encountered. From this point the south vein was driven on for 30 feet westward and 280 feet eastward to within 17 feet of the eastern line of our property, opening up a shoot of rich ore 210 feet long for a thickness of 5½ feet, which is the average width of the drift, but the full thickness of the vein has not yet been determined. For the last hundred feet at the eastern end of the drift the vein is also continuous, well-defined and everywhere contains gold. From the development work on this level 991 tons of ore were mined, raised and placed on the stock pile."

The following is a summary of mining operations during the year: Shaft sinking, 435.7 feet; station cutting, 108 feet; cross-cutting, 1,542 feet; drifting, 784.5 feet; diamond drilling, 1,469 feet; ore drawn, 1,204 tons; waste drawn, 16,177 tons.

## Mining Inquiries

### Payne Mines

B. G. H., Invermere, B. C.—Are the fully paid up non-assessable shares of the Payne Mining Co., Ltd., incorporated under the British Columbia 1897 Companies Act of any value? If not, can you tell me anything about the company?

The Payne Mines Limited has property in the Slotean division, British Columbia, and the agent of the company is Oscar V. White, Sandon, B.C. The company has had a production of a gross value of $5,000,000, and of recent years this proposition has been operated by the Pacific Mines Development Co., under lease.

### Keeley

J. E. C., Cornwall, Ont.—How long has Keeley Silver mine been paying dividends? What would you advise about buying a little stock, if prospects at dividend are good?

This will make the third year that Keeley has paid dividends on the basis of 16 per cent. regular with a bonus of 8 per cent. total, 24 per cent. on a par value of $1.00. The company has been able to maintain production on a very substantial basis and in the meantime is making progress in other sections of the property which would seem to insure it several years of very prosperous activity. It is a very well handled proposition.

### Several Quebec Issues

Nova Scotia Engineer.—Would like your opinion as to the best buy at present quotations of Amulet Area, Duprat or Laval Quebec.

Laval Quebec, Fiske, Don Rouyn, are three very speculative mining ventures in Northwestern Quebec. They are selling at a price to indicate a varied degree of speculation, and if you can afford it, you might be advised to take a little bit of each one of them, in hope that one of them might ultimately turn out all right.

There are a number of such propositions coming on the market. Duprat is another, Area is another. None of them has done a great deal of work on their property. All have good showings.

### Argonaut—Kirkland Townsite

Cobalt Enquirer.—Do you consider Argonaut a good investment at the present level of around 20c.?

While the two mining stocks that you are holding at present, Argonaut and Kirkland-Townsite, are not making much progress at the present moment, indications are not lacking that things should come better for them. The coming summer should see a lot of activity in the vicinity of the Townsite property, and I understand that a move is on foot to resume operations.

Argonaut is sinking a shaft to 1,000 ft. level, and they should meet with much more encouraging results In the meantime, the proposition is taking care of itself.

### Bloom Lake

W. H., Toronto.—I have encountered a conflict of opinion re Bloom Lake Consolidated. The latest I heard is that the history of Bloom Lake section is, that while a little silver may be found, the entire showings would not make a real vein as profitable veins go. How does this part of the camp compare with the rest? What seems to be the opinion on Gowganda? How about the company's other holdings?

The history of Bloom Lake has been one of inactivity, and inactivity does not test out in any way the possibilities of finding a mine. Gowganda's history shows that it is only in the last year or two that a real pay roll has been spent in this section, that of Haultain Silver on Wigwam Lake. This operation has met with very encouraging results, getting good silver values. Like the rest of Gowganda camp, this section has been neglected for years. Castle awakened interest in the main section and this has spread out to the other parts. I know that the provincial geologist thinks well of the outlying parts, even where the keewatin is not present, and believes there are some excellent chances for exploration. In this connection his new report will be of interest. As to the Bloom Lake Section, what work has been done, has been such as to encourage the expenditure of considerable funds in further testing the section out. As to Bloom Lake Consolidated, when the writer was on the property last fall, they had opened up a number of strong veins, showing bloom, calcite, cobalt and some leaf silver. There are several contacts, diabase and conglomerate, gabbro and one large body in a draw, that some say is keewatin and some a fine diabase. In this connection the provincial report on Gowganda, 1922, says the keewatin in the camp is a fine grained diabase. In Gowganda I found that the Bloom Lake section was well regarded as a possible producer of mines. The writer did not visit the company's other properties in Matachewan. There is a detailed report by Louis D. Haintoon, New York engineer and geologist, on these that should be available. Power lines of Northern Canada Power cross the company's most promising group.

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## *Ninth Annual Report*

# BROMPTON PULP AND PAPER COMPANY LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

*Year Ending December 31st, 1925*

| EARNINGS | | |
|---|---|---|
| After deducting Administrative Expense, Selling Expense and Income Tax | | $1,321,065.51 |
| Deduct— | | |
| Depreciation | $255,000.00 | |
| Bond Interest | 299,359.00 | 554,359.00 |
| | | $ 766,706.51 |
| Deduct— | | |
| Brompton Preferred Stock Dividends | $160,000.00 | |
| Claremont Preferred Stock Dividends | 17,500.00 | 177,500.00 |
| Net Amount Added to Surplus | | $ 589,206.51 |

## CONSOLIDATED BALANCE SHEET

*as at 31st December, 1925*

### ASSETS

| | | |
|---|---|---|
| **CURRENT ASSETS** | | |
| Cash | $ 193,723.01 | |
| Accounts and Bills Receivable | 1,232,991.10 | |
| Investments | 187,836.18 | |
| Inventory of Logs, Pulpwood, Paper, Mill Supplies, and Advances on Wood Operations | 3,948,718.07 | |
| **DEFERRED CHARGES** | | |
| Prepaid Insurance and Taxes | 40,058.47 | |
| Total Current Assets | | $5,603,326.83 |
| **FIXED ASSETS** | | |
| Freehold and Leasehold Timber Lands | $6,028,131.44 | |
| Real Estate, Buildings, Water Powers, Mills, Warehouses, Craft, etc. | 12,355,963.01 | 18,384,094.45 |
| | | $23,987,421.28 |

### LIABILITIES

| | | | | |
|---|---|---|---|---|
| **CURRENT LIABILITIES** | | | | |
| Bank Loans | | | $975,000.00 | |
| Bills Payable, Trade | | 124,750.00 | | |
| Accounts Payable, Trade | | | 542,431.41 | |
| Accrued Charges, including Bond Interest, Pay Rolls and Income Tax | | | 290,647.30 | |
| Total Current Liabilities | | | | $1,932,828.71 |
| **CAPITAL LIABILITIES** | | | | |
| Bonds and Serial Notes:— | | | | |
| Brompton Pulp & Paper Co., Limited Six Per Cent. First Mortgage Sinking Fund Bonds, Due 1927:— | | | | |
| Authorized | | $1,000,000.00 | | |
| Redeemed | | 996,000.00 | $ 4,000.00 | |
| Six Per Cent. First Consolidated Mortgage Sinking Fund Bonds, Due 1935— | | | | |
| Authorized | | $2,000,000.00 | | |
| Unissued | $ 298,000.00 | | | |
| Redeemed | 853,500.00 | | | |
| In escrow | 4,000.00 | | | |
| Held by Groveton Paper Co. (Subsidiary) | 32,500.00 | 1,183,000.00 | 817,000.00 | |
| Six Per Cent. General Mortgage Sinking Fund Bonds, due 1939— | | | | |
| Authorized | | $1,000,000.00 | | |
| Redeemed | | 211,100.00 | 788,900.00 | |
| Convertible Eight Per Cent. Mortgage Sink'g. Fund Bonds due 1941:— | | | | |
| Authorized | | $ 3,000,000.00 | | |
| Unissued | $1,163,000.00 | | | |
| Redeemed | 282,300.00 | 1,445,300.00 | 1,554,700.00 | |
| | | | | 3,164,600.00 |
| Groveton Paper Company, Inc.:— | | | | |
| 6% 1st Mortgage Gold Bonds, due 1935 | | $1,250,000.00 | | |
| Redeemed | | 100,000.00 | | |
| | | | 1,150,000.00 | |
| Serial Land Purchase Notes | | | 400,000.00 | 1,550,000.00 |
| **RESERVES** | | | | |
| Depreciation and Obsolescence | | | 2,889,576.78 | |
| Bad Debts | | | 41,678.90 | 2,931,255.68 |
| **CAPITAL STOCK** | | | | |
| Brompton Pulp & Paper Company, Limited:— | | | | |
| Preferred:—Authorized and Issued 20,000 8% Cumulative Preferred Shares of $100 each, fully paid | | | $2,000,000.00 | |
| Common:—Authorized 210,000 shares, no par value, issued and fully paid, 140,000 shares, no par value | | | 7,000,000.00 | |
| Claremont Paper Company, Inc.:— | | | | |
| Preferred:—Authorized and Issued, 2,500 shares of $100.00 each | | | 250,000.00 | 9,250,000.00 |
| **SURPLUS** | | | | |
| As on December 31st, 1924 | | | $ 4,624,651.68 | |
| Deduct—Amount Written Off Inventories | | | 55,121,30 | |
| | | | $4,569,530.38 | |
| Add—Earnings for the Year | | $1,321,065,51 | | |
| Less—Depreciation | $255,000.00 | | | |
| Bond Interest | 299,359.00 | | | |
| Brompton Pfd. Dividends | 160,000.00 | | | |
| Claremont Pfd. Dividends | 17,500.00 | $ 731,859.00 | $ 589,206.51 | 5,158,736 89 |
| | | | | $23,987,421.28 |

| CONTINGENT LIABILITIES | |
|---|---|
| Bonds of McCrea-Wilson Lumber Co., Ltd. | $1,090,000.00 |
| Customers' Paper Discounted | 78,216.00 |

## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Montreal, February 26th, 1926.

Your Directors submit herewith the Consolidated Balance Sheet and Profit and Loss Account of the Company as at the 31st day of December, 1925.

After full allowance for interest, taxes, depreciation and preferred dividends, aggregating $731,859.00, the sum of $589,206.51 is added to the credit of Profit and Loss Account.

The working capital position of the Company has been further strengthened by an increase of $494,399.88, and now stands at the record figure of $3,670,498.12.

Business conditions in the paper market for the first eight months of 1925 were very unsettled since which time, however, there has been a steady improvement, with satisfactory prospects in evidence for the immediate future.

Owing to the unsettled conditions mentioned, your Directors have not proceeded with the building of another newsprint mill, which was authorized.

Now that the Company has worked itself into a strong liquid position, your directors are again considering the matter, and if it is decided to proceed with the work you will be notified immediately.

Your Board of Directors wish to express their sincere appreciation of the manner in which the staff of the entire organization have performed their duties.

Submitted on behalf of the Directors.

F. N. McCREA,
President.

# THE FINANCIAL POST

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, MARCH 19, 1926

## The Financial Post's Platform for Canada

*Promote national unity.*

*Reduce taxation; curtail public waste.*

*Conserve Canadian resources for Canadians.*

*Develop production and manufacturing to the highest point in Canada.*

*Settle our vacant lands.*

*Encourage individual initiative.*

*Induce and protect investment of capital in Canada.*

## INVESTING IN GOOD ROADS

THE need for good roads in building up the tourist business in these days of automobile travel is emphasized by a Canadian now living in California who has been studying conditions there. He says that one of the big attractions of California for the tourist is the fact that this state has the finest roads in the union. This year road building will be carried further on an extensive scale. California is convinced that investments in roads will pay many times the cost.

The Financial Post's correspondent states his belief that when Canada realizes the necessity for good roads and is able to advertise such roads to the world the tourist traffic will assume much greater importance, bringing a large volume of profitable business as well as providing an opportunity for advertising the country to those who come here to make their homes.

## WISDOM OF WORKERS

CANADIAN members of the International Brotherhood of Pulp, Sulphite and Paper Mill Workers are to be congratulated upon their common sense and their understanding of economic conditions in and affecting the paper manufacturing business. At the recent Montreal conference of the brotherhood all resolutions and the wage committee's report for general increases in wages were voted down, this notwithstanding the fact that fifteen locals submitted resolutions asking an increase of five cents an hour and the wage committee reported favoring that increase. The voting also went against a strong demand from Iroquois Falls for a 10 cents an hour increase. Some adjustment of wage rates in the case of workers assuming additional responsibilities were asked for.

The vote against the wage increase demands was the result of the opinion that the present was an inopportune time to ask for such increases in view of the drop in the price of newsprint and the general conditions in the industry. The relations between capital and labor will improve for their mutual benefit when it is more generally appreciated that conditions affecting the industry have a direct bearing on the returns to both.

## FAIR PLAY FOR TENDERERS

THE Ottawa Public School board has had a controversy on its hands over the tender question. It arose in this way: On a certain day at noon three parties presented written sealed tenders with samples addressed to the clerk of supplies. Two hours later a specially authorized committee met to open these tenders. Before doing so two trustees not on the committee were allowed verbally to present prices from other firms on certain items. When the tenders addressed to the clerk were opened it was discovered that the verbal tenders were considerably lower. On assurance from the trustees offering them that the prices were guaranteed, the committee adjourned to enable these tenderers to confirm their offer in writing. At an adjourned meeting of the committee when the verbal tenders had been transmitted in writing, it was discovered, it is alleged, that they were $624.95 higher than in the original quotation, although still lower than the others by $126.

Business experience has shown that the tender system is sound. This is particularly true in the case of public contracts where the representatives and servants of the people should be protected from any suspicion of using their influence to their personal benefit in the spending of the ratepayers' money. And the tender system will last so long only as the conditions under which bids are asked are strictly and conscientiously observed.

## SNOWBALL LEGISLATION

PATERNALISTIC legislation is snowball legislation. No sooner is one proposal brought forward to open up the national treasury for the benefit of one section of the country or one class in the community than there are demands—made with a measure of justice—from other sections and other classes. Evidence of this has already made itself apparent following the announcement of the government's rural credits proposals.

In connection with the demands being made at Ottawa by Nova Scotia for special concessions so that her fisheries products may be marketed in Ontario and Quebec to better advantage, H. B. Short, of Digby-Annapolis, recently asked why the government, having promised rural credits for land farmers, should not extend a similar credit system to the farmers of the sea. The fishermen were just as much in need of credits to build boats and buy engines and equipment, he declared.

Canada should encourage every sound plan to aid the development of her agricultural resources, her fisheries, her forests and her mines, but any extension of special benefits to one industry will surely be followed by demands for other benefits for other industries and in such a vicious circle the great body of the taxpayers must bear the burden.

## WHAT BELL FORESAW

THE telephone is fifty years old. The anniversary gives occasion to pause and consider the developments of half a century — developments which have had for their main purpose the raising of the standard of living for the average person to a level which would not have been dreamed of at the time of Bell's invention. The people of ordinary means to-day enjoy conveniences and luxuries which could not be acquired by even the most wealthy in 1876.

Few of those who saw Bell's first demonstrations visioned the future for the telephone which the inventor painted in a letter written in 1878 to arouse the interest of British capital:

> It is conceivable that cables of telephone wires could be laid underground, or suspended overhead, communicating by branch wires with private dwellings, country houses, shops, manufactories, etc., etc., uniting them through the main cable with a central office where the wires could be connected as desired, establishing direct communication between any two places in the city. Not only so, but I believe in the future wires will unite the head offices of telephone companies in different cities, and a man in one part of the country may communicate by word of mouth with another in a distant place.

The English capitalists didn't believe it, and it is true that Bell did not know just how these things would be done. What Bell did know was that they would be done.

## EDITORIAL NOTES

THE announcement of the merger involving Canada Steamships after the denial of reports to this effect, indicates once again that no credence is to be placed in "official denials."

* * *

ONTARIO has collected more than $7,500,000 from the tax on race track wagers in four years. And for the majority of those who contributed this was no amusement tax either. Still, all in all, betting is seemingly not an unmixed evil from the standpoint of the taxpayers.

* * *

THE gas industry is 110 years old. The gain in the amount of gas used in the United States and Canada in 1925, over any previous year, was greater in volume than the total used in any year when gas was used entirely for lighting. These facts pretty well dispose of any lingering fear that electricity is putting gas out of business.

* * *

PREMIER FERGUSON informed the Ontario legislature, in response to a question, that "the Hydro-Electric Power Commission is prepared to pay rentals (for Chippawa) when the rate of such rentals and the basis of measurement now under negotiation are determined upon." But this is hardly a satisfactory answer when, according to the report of the Niagara Parks Commission, the question has been in the air since 1922 at least.

* * *

CONVICTED of selling worthless stock, A. E. Hoffman has been sentenced at Cayuga to serve two months and pay a fine of $2,000. Such sentences should do something to curb the activities of the distributors of spurious securities. This case goes to prove that the law in respect to the selling of worthless stocks provides punishment to fit the crime. The great difficulty is that most of these salesmen are clever enough to keep just inside the law or to make it very difficult to prove that they have been outside it.

# Beatty Says Railway Monopoly Would Impair Service Efficiency

## Declares That C.P.R. Never Wanted to Take Over Lines and That Government Monopoly Would be Bad Thing For Canada—Fair Rates and Fair Competition

By E. W. BEATTY,
In address before the Montreal Canadian Club.

The Canadian Pacific is not now and never has been anxious to take over the other company's lines or any part of them and is in no way chargeable with desire or act to injure the publicly owned railways. The C.P.R. had met its competitor with fair methods and proposes to continue along such constructive lines, developing its facilities and business as the growth and development of Canada require. Competition is a spur to efficiency and I do not see the advisability of a railway monopoly for this country whatever might happen in the future.

I hope I will not live to see the day when Canadian railways are nationalized because I would regard nationalization of these huge properties, without competition and politically influenced in their administration, as would inevitably be the case, to constitute the greatest political and commercial menance this country could possibly experience. As conditions are, there is no sounder or safer principle than those laid down in the letter and spirit of the Railway Act which stipulates for reasonable rates and prohibits unjust discrimination and has regard to service and its costs as a factor in determining what a shipper should pay. The principles adopted in the United States and other countries may fairly be adopted here. They are that the rates should be such that the aggregate return should be sufficient to pay interest on borrowed money, a fair return on capital and something over to permit the properties to be adequately protected. Principles proper to the Canadian Pacific cannot adversely affect the National railways while variations in these principles because of the character of ownership of the latter might very seriously affect the Canadian Pacific.

A year ago a careful, unbiased enquiry was conducted by the Senate to obtain the personal views of men of acknowledged authority on finance, transportation and business to develop a discussion in respect of a possible solution of our transportation problems. Asked if I believed in a railway monopoly for this country, I answered that while no one should attempt to forecast conditions for the next few years with that certainty which would justify a definite and unchangeable view, I did not believe in a monopoly. I said I thought a merger would involve difficulties in administration which were scarcely contemplated and which would in time affect the character of the service given. I did not know how it would be possible with the best executives, the most loyal and efficient officers and the wisest and most patriotic board of directors, for an enterprise with one hundred to one hundred and fifty thousand employees to be maintained in the highest state of efficiency without the spur of competition.

### Benefits of Consolidations

We must admit that consolidations, properly conceived and carried out are capable of affecting great economies. There is no other way in which the same amount of money can be saved in a short space of time, and it may be that the people of Canada will have to determine at some stage whether the obvious disadvantages of consolidation are outweighed by the financial interests or necessities of the country.

In the meantime these two systems are strongly competing and the people of Canada are obtaining excellent transportation facilities at lower rates than are charged in any other country in the world. The officers of the two systems get along in as complete harmony as you would expect or I would want. Common problems are discussed with frankness and the personal relations of myself and the chief executive of the National system are entirely friendly. Far from wishing there should be injury to either property or mistaken policies inaugurated designed to affect the credit of one or the ability of the other to function properly, there is the greatest goodwill, and no ambition on the part of the Government to interfere with the successful operation of the Canadian Pacific, and no acquisitive ambitions on behalf of the Canadian Pacific towards its competitors. We both realize that our future prosperity is inextricably linked with that of the country. As evidence that this attitude is not new, let me say that since the war the policies of the Canadian Pacific have been predicated upon the fact that in the last analysis the people of Canada would be fair to it, its shareholders and to what it represents. Many millions of dollars have been secured to aid in its and the country's development upon that assumption. I know nothing in the present situation in Canada to show that the convictions of its directors in that respect were ill-founded or their conclusions erroneous.

### Other National Problems

I have intentionally not indicated to you a solution of our so-called railway problem. In the unsatisfactory political situation which now exists obviously no drastic steps are capable of being taken with success. We gain little by living in a world of criticism of our past railway mistakes — serious though they have turned out to be. It would, I think, be more profitable to devote our minds to methods of improving our national conditions. Our problems revolve around the necessity for more people, lower taxation and definite fiscal policies national in their purpose and their scope. If we will remedy these conditions we can face our railway problem with the certainty of settling it when our perspective is clearer because our knowledge is more precise, and when we see our railways respond to the impetus which the country alone can give to them. Railway rearrangements can save money but they cannot create new traffic and in the last analysis traffic volume, which means the country's development and commercial prosperity, will determine the extent of the transportation burdens of this country.

### Many False Rumors

Periodically come rumors of conspiracy to take over or in some way injure the property of our competitors and that these midnight conspiracies are encouraged if not provoked by those who are close or friendly to the Canadian Pacific. So long as there is government ownership, political considerations will be involved and where there are political considerations there are many rumors and much propaganda and publicity. There are attacks and counter attacks not based on business objections but upon political expediency or the desire to create public sentiment.

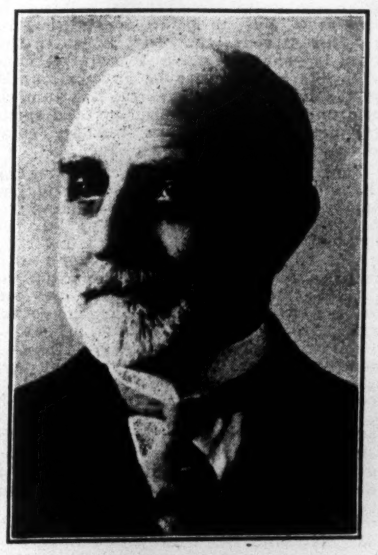
The Canadian Pacific pays in federal taxes $5,479 per day for the privilege of engaging in railway competition with the government of its own country. It does not inveigh against this situation but simply recognizes its existence and its inevitable consequences and endeavors to the best of its ability to meet them. I have reached the conclusion that the things upon which the progress of this country has heretofore depended are those upon which our future prosperity will likewise depend. I believe that private initiative and the effort of corporations, groups of men and individuals are what will make for Canada's commercial prosperity and economic stability. I believe with the late President Harding that there should be less government in business and more business in government. And so, when you turn your minds to this railway problem, the last phase of which has probably not yet been reached, remember that public opinion is very offten misinformed because the facts are not in the possession of those who advocate one theory or another; that where you have two houses and not enough guests to fill them both there is bound to be some waste due to duplication of facilities; that when companies are in competition, each must preserve and expand its business else it will die and that healthy competition is good provided the minimum of waste is secured by economical administration.

### Fair Rates Essential

Nothing is more important to the successful operation of Canada's railways than fair rate schedules. Pressure is periodically brought to bear looking to the granting of rate concessions on ground of national or local interest, and I fear many Canadians feel that a difference in the character of ownership of these railways involves a difference in attitude towards the matter of adequate revenues. The only existing problem respecting rates is their reasonableness and freedom from "unjust discrimination." These fundamentals do not change with the character of the ownership of the two principal companies. It is stated by the proponents of the policy of equalization that the people of this country have it in their own hands to decide whether they will pay adequate rates to their railway or compel non-paying rates and make up the difference by taxation. There might be justification for this attitude if both companies were nationalized and if it became a national policy that a portion of transportation costs should be borne by the taxpayers instead of by shippers and travelers. It has no reasonable ground for support when 45 per cent. of the railway mileage of this country represents hundreds of millions of dollars of honest capital honestly invested by Canadian, American and British gentlemen who believe in the future of the country and in the fairness of the attitude of the governments and the people towards invested wealth.

## Geo. H. Smith President Dominion Mortgage Assn.

At the annual meeting of the Dominion Mortgage & Investments Association this week, George H. Smith, general manager of the Canadian Permanent Mortgage Corporation, was elected president; M. Pasquin, assistant manager of the Credit-Foncier Franco-Canadien, first vice-president; and J. F. Weston, managing director of the Imperial Life Assurance Co., second vice-president. C. S. Macdonald of the Confederation Life is the retiring president.



The secretary-treasurer's financial statement indicated a membership of 50 of the larger mortgage investment institutions of Canada with assets aggregating $1,800,000,000. Other reports were not considered at this meeting, an adjournment being made to re-assemble at Edmonton on September 16 and 17 On that occasion the program will be arranged to provide a survey of Western conditions with discussion of agricultural and other problems.

## Late Joseph Henderson

Canadian banking has lost one of its sound figures in the death of Joseph Henderson, vice-president of the Bank of Toronto. Trained from his youth as a banker, he had devoted his life consistently to the affairs of the institution with which he was so long connected. Both in the Bank of Toronto and in the larger field of Canadian banking he was admired for his splendid understanding of the fundamentals of business conditions and for his judgment in financial matters. Of a quiet and even retiring disposition, he was not widely known outside of the financial community to whose affairs he devoted himself for so many years.

At the annual meetings of the Bank of Toronto, Mr. Henderson's views and comments were always closely followed because of the knowledge they revealed of business conditions, but it was typical of him that he never permitted his remarks on such occasions to get into print or even to be recorded in the bank's annals.

Mr. Henderson's connection with the Bank of Toronto went back to fifty-seven years ago, when he was transferred to that institution from the Gore Bank, which he entered in 1864, after his education at the Hamilton Grammar School; he was born in Hamilton in 1849. Mr. Henderson was made manager for the Bank of Toronto in St. Catharines in 1874, and subsequently was moved to Cobourg. He was called to headquarters in Toronto as inspector in 1889, and after a few years became assistant general manager, holding that post until 1911, when he was elected to the board and became vice-president.

Mr. Henderson was interested in the Canadian Shredded Wheat Co., and was made vice-president of the company in 1919. He was also for years a director of the Confederation Life Association. He was one of the original members of the Toronto Golf Club and, particularly after retiring from his more active business career, spent considerable time on the links.

## Book Reviews

### ELECTRICAL POWER AND NATIONAL PROGRESS

"Electrical Power and National Progress," by Hugh Quigley, published by George Allen and Unwin, Limited, deals with the fundamentals of the electric power question in Great Britain in such a way that the subject stands out clearly to the layman who is interested in industrial and economic development in Britain. It shows how great the achievement of the electrical industry has been measured in terms of industrial efficiency and the utilization of cheap power. It also supplies an answer to the question of coal conservation, superpower, and the function of electrical power in agricultural households, and indicates the line that should be taken in power development in the future. The work covers a broad field. It deals with an intricate problem in a manner and language that can be understood by the layman, and it makes many interesting suggestions with regard to the future of power development in Great Britain.

### BANKERS' ALMANAC 1925-1926

Larger and more comprehensive than ever the "Bankers' Almanac and Year Book 1925 and 1926" has just made its appearance. This is a publication of international value which no large firm whose business depends on knowledge of certain conditions abroad can be without. A large number of institutions have been added in the current edition. The statistical information is further augmented, and a section called "Geographical Index" gives not only the name of every city and town of importance in the world where there is a bank and the name of the banks therein, but also names of the London and in some cases the other agents of such banks.

In addition to the present issue there is a complete survey of the movement of the foreign exchanges given by means of a series of tables and the average rates each week since the beginning of 1923. In view of the growing importance to America of the exchange markets of the world, a special article dealing with the North and South American exchanges is again included in this edition. Other features of interest include changes in the bank rate of England, France, Germany and Holland since 1844 and Belgium since 1861, also prices of bar silver since 1833 and weekly average records of prices of gold and silver in recent years. These are valuable records. In regard to telegraphic addresses it may be noted that these are arranged alphabetically both under the names of the banks and under the telegraphic addresses and that a code number is given to each name whereby the name and address of any bank can be transmitted by cable in one word. This is useful to bankers, etc., giving instructions by cable. Altogether the volume is an extremely creditable one and one of the safeguards which modern international business requires. Further analysis of the leading banks in the leading countries of the world, provides a service of inestimable value to business.

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# *Your Investments*

**Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.**

## Brompton Paper

R. K., New Brunswick.—Would you consider the common stock of the Brompton Pulp and Paper Co. a good buy outright, at $30 per share, for a business man?

At $30 a share we would certainly consider Brompton Pulp and Paper Company a good buy for a business man. We can see no immediate hope for appreciation in this stock but, nevertheless, the company is in a happy position with regard to its wood supply.

It seems to us that the possession of such excellent timberlands as Brompton holds cannot help but eventually affect the market price for the stock. In the meantime, the company's mill at Groveton, N.H., is finding new markets for its output. It has been passing through a transition period, due to competition from your mills in the Southern States.

## Canada Bread "B"

Forest.—What is your opinion of Canada Bread "B" stock as an investment?

The "B" shares of Canada Bread are selling on the market at 97 to 98. The securities of this company have had a marked appreciation in recent years, and it may possibly be that under less favorable conditions there may be some reaction. However, you have in this company a strongly organized, well-managed industrial concern with a close association with milling interests which insures raw materials at favorable prices and supplying a commodity for which there is relatively a very stable consuming market. The company appears to be in a position to make very satisfactory earnings at a narrow margin of profit and to take care of itself in keen competition. There may be some danger of political agitation in view of the association of the company with milling interests. However, the bread business in Toronto has recently been investigated by city authorities and it has been proven that the bakeries are operating on a very narrow margin of profit and are giving the public real service.

## Canadian Pacific

R. S., Porcupine.—I purchased C. P. R. at 158. What do you think of my buy?

Your purchase of Canadian Pacific stock yields you 6.14 per cent., with market prices at their present levels. We know of no other company which has the intrinsic value behind its securities and which gives such a good yield to the investor.

Should there be a poor crop in the West this year, the price of the stock will probably decline. On the other hand, with a country as rich in natural resources as Canada, the lean years must come to an end some time. When this occurs, C. P. R. stock should go to higher levels. Another good crop in the West this year would almost undoubtedly put the stock up. In the meantime, if you purchased the stock for investment, we believe that you would be perfectly safe in tucking it away in your safety deposit box for a few years.

## St. Maurice Valley

J. M., London.—Would like some information regarding St. Maurice Valley Corporation bonds as an investment.

The St. Maurice Valley Corporation was formed at the beginning of this year and acquired the business and undertakings of the St. Maurice Paper Company. The latter has been in successful operation since 1915. At the same time, it acquired about 90 per cent. of the outstanding common stock of the Belgo Canadian Paper Company which has been operating with great success since 1904.

The average annual net earnings, applicable to bond interest on the 6 per cent. St. Maurice Valley Corporation bonds, have averaged during the past six years over four times the annual interest requirements. Earnings of the component companies in the past year were equal to something over six times the annual interest requirements of the present issue of bonds and the debenture stock which is to be issued shortly.

At the present time the Belgo Canadian Paper Company is increasing its output of newsprint by 200 tons daily—this extension to the mill should be completed before the end of the year and, when finished, should add considerably to the earning power of the St. Maurice Valley Corporation.

## Four Preferred Stocks

C. A. M., Stratford.—Are the following preference stocks safe in every respect: St. Maurice Valley, Howard Smith, Brantford Cordage and Woods Manufacturing?

It cannot be said that the preferred shares of the St. Maurice Valley Corporation, Howard Smith Paper Mills, Brantford Cordage and the Woods Manufacturing are not perfectly safe in every respect. If they were, these preference shares would probably be yielding the investor about 4 per cent. However, we can say that we believe you have picked four excellent preferred stocks. All these stocks give you a good yield and we believe stand a chance to appreciate in value.

You must remember, however, that in one way preferred shares are neither "fish nor fowl." They have not the safety of bonds nor have they the speculative attractions of common stocks. Your choice of these four, however, would seem a wise one for securities in this class.

## Canadian Car

B. C. C., Regina.—Is the preferred stock of the Canadian Car and Foundry a perfectly safe investment?

We would not place the preferred stock of the Canadian Car and Foundry Company in the safe investment class. In 1922 the company earned nothing on its preferred stock; in 1923, earnings on the preferred were equivalent to 22 per cent., and in 1924, 14 per cent.; again, in 1925, there were no earnings on the preferred.

The company's earnings depend very largely on one thing — the amount of rolling stock purchased by the Canadian roads. When the railways have a good year, it is usually reflected in increased buying orders for equipment. It seems very probable that the present year will see a revival of orders from the railways for new equipment. If this be so, the Canadian Car and Foundry Company would naturally obtain its share of these orders, with a consequent benefit to the market price of the stock.

During the last four years, the preferred stock sold as low as 45 in 1922 and touched 97 in 1924. It is speculative.

### GOOD CITIZENS WELCOMED

Quebec Chronicle-Telegraph: Le Droit takes a fling at its old enemy, the Orange Sentinel.

"The Orange Sentinel of Toronto has been making revelations for several weeks past in regard to some thousands of acres of land that Orangemen have hitherto learned to consider as a promised land from which their confreres are to benefit.

"Those lands are rich and fertile. French-Canadians have so far cast their eyes upon them, absolutely in vain. The land is not a 'promised' one for them: French-Canadian influence is too strong already for its expansion to be encouraged.

"Immigrants are needed to people these fertile spaces. Immigrants who will be both British and especially Protestant. Why?"

It is not the nationality or religion of an immigrant that counts but his own personal character.

# The Facts About Besco

H. P. D., New Orleans.—I read with interest your articles on the British Empire Steel Corporation, but believe some of your statements should be taken with "a grain of salt," namely, that Besco owns twelve steamers of 70,000 tons.

However, what I and others should like to know is why the Nova Scotia Steel and Coal stock sold in 1900 for $126 a share and paid 8 per cent. with its antiquated machinery, and now, after two years of consolidation, sells for $30 a share and no dividends since that time.

Also, why were men like D. H. McDougall and Archibald McCall forced out? These men understood the business, but men like Wolvin and Major-General Sir Newton J. Moore, K.C.M.G., M. P., P. D. Q., who, in the very nature of things know very little about this vast industry, took their places.

Your paper may have its axe to grind and may have to soft-soap the people in power, but, believe me, the American financial papers handle that Besco directorate without gloves.

Hoping you will disgorge some information along the lines I have indicated.

The Financial Post holds no brief for the management of Besco—or any other company. However, there are some points in connection with criticism levelled at the management which should be cleared up. For instance, you complain rather bitterly because the Nova Scotia Steel and Coal Company's stock is so low and the company is not making money. On the other hand, shareholders of the Dominion Coal Company say that their property is the only one which has been making money and that it has been carrying the load of the other constituent companies, including the Nova Scotia Steel and Coal.

In other words, some shareholders say that the stock of your company should not be selling at its present levels. At the outset, we may as well admit that all the diametrically opposed statements coming from the shareholders in the constituent companies make us rather skeptical about criticisms which are based on these opposing statements.

One of the reasons why the Nova Scotia Steel and Coal stock sold at $126 a share in 1900 and now sells for around $30, is due to the fact that both the Algoma Steel and the Steel Company of Canada, since that date, have installed additional plants which have taken away a considerable portion of the Nova Scotia Steel and Coal Company's business. You must realize that, at the time you purchased your stock, Canada was on the eve of a tremendous industrial expansion, not to mention the extraordinary railroad building era upon which the country was then entering. Both these factors combined to produce many orders for the Nova Scotia Steel and Coal. So much so, indeed, that the Ontario steel plants expanded and, because their markets were practically at their back door, they obtained a goodly share of the business.

As to R. M. Wolvin, and the man you refer to as Major General Sir Newton J. Moore, K.C.M.G., M.P., P.D.Q., we know well enough that Mr. Wolvin is not a coal or steel man, but, on the other hand, Sir Herbert Holt is not a paper manufacturer, nor is Sir Arthur Currie a professor. However, both the latter manage to hold down their jobs with some success. Again, Mr. Wolvin has a larger individual stake in the Nova Scotia properties than any one else connected with Besco or its constituent company. He is even more anxious for their success than you. Again, we learn from those who know Mr. Wolvin that his capabilities must certainly not be judged on Besco's record which, in the main, is entirely due to economic conditions.

As to Sir Newton Moore, we have no personal knowledge of this man, but we can assure you that he has worked hard and successfully for Besco. He, personally, sells all the corporation's ore exports to the continent. We understand that he does excellent work in this connection.

We hope that what has been "disgorged" in the foregoing will prove of interest to you.

From the concluding paragraph of your note we judge that you place considerable reliance upon the financial papers of the United States—at least when they handle the Besco directors without gloves. Frankly, our attitude in this is simply that there are few American financial papers which are in a position to judge the merits or demerits of Besco's management. They do not know the facts on which to base their conclusions.

We are inclined to the belief that a good deal of the criticism levelled against the corporation is simply due to the fact that it is much easier to kick a man when he is down, rather than when he is up. Naturally, we realize that many shareholders must be greatly disappointed, but, on the other hand, we sincerely believe that the best management in the world would not have been able to steer Besco successfully through the past few years. Let us again assure you that Besco is not up against mere merchandising problems, but it is up against economic problems—that is, other companies can produce coal, make iron and manufacture steel cheaper than can the corporation. This is due to a variety of factors, which have already been set forth many times.

You have taken up our statement about Besco's steamers incorrectly. The corporation does not own twelve steamships of 70,000 tons capacity, but owns twelve steamships with a total carrying capacity of 70,000 tons.

# POST-Scripts

IN THIS column a few weeks ago a reference was made to the effect of the vagaries of fashion on certain commercial enterprises. Consider the ostrich feather industry. Dame fashion has issued new decrees since the days when the plumes of the ostrich were the vogue for chapeau decorations for milady. Eric H. Louw, trade commissioner for South Africa in Canada and the United States, recently told a Toronto audience that as the result the business of raising ostriches in Africa has suffered severely; in fact where there were 780,000 ostriches in South Africa supplying plumes for the world there are now only about 200 000.

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IT MAY be one thing to ask a question and quite another to get an answer, and this would seem to apply even to the legislature. In connection with the questions of Mr. Raney, aimed to get a statement of the government's policy on the liquor question, the speaker read the following extract from a volume entitled "The Speaker of the House," written by Michael MacDonagh:

"Once an indignant member appealed to the speaker against the immovable silence of the Prime Minister, Mr. Asquith, with respect to a certain question. 'Has not a private member the right to ask a Minister any question relating to his Department?' 'Certainly,' said the Speaker, 'Hon. Members have the right to ask questions,'—here Mr. Lowther was interrupted by the cheers of the Hon. Member and his friends,—'but,' he proceeded drily, 'that does not necessarily mean that Ministers are obliged to answer them.'"

The speaker then pointed out that "the right to ask questions, which is not disputed, does not involve the right to ask any question, whether it is in order or not."

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THE spectacle of conscience money drifting into the coffers of corporations still continues. The Bell Telephone Company has recently benefited to the extent of $13 through the tardily awakened conscience of some individual who, although honest enough to return the money, was not brave enough to acknowledge his meanness. Perhaps he will obtain his "just reward" in Heaven.

The following advertisement recently appeared in a Montreal paper:

CONSCIENCE MONEY

The secretary-treasurer of the Bell Telephone Company of Canada has received $13 "Conscience Money," which is hereby acknowledged.

---

AT THE dinner of the Hamilton branch of the Canadian Manufacturers' Association last week, Chairman C. A. Magrath, of the Ontario Hydro Electric Commission told of his early experiences in Western Canada:

I went west 48 years ago, and before the C. P. R. was built. It took me 12 days to reach what is now known as Winnipeg. From there we went by cart on a three weeks' trip to Saskatoon, the whole journey thus taking a month, whereas to-day it can be done comfortably in three days, by two railways.

At that time the developed wealth of the territory between the Great Lakes and the Rocky Mountains was not much more than $1,000,000. In any case it did not exceed $2,000,000. To-day the developed wealth of the three Western provinces totals over $8,000,000,000. The developed wealth of the United States, the richest country in the world, is $320,000,000,000.

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JUST to prove that it isn't as hard to get a line on people as might be supposed, the gas man finds that he is able to tell more about the habits of his particular community or city than the people themselves often can. It is just one angle in the all-seeing phase of rendering public service that the community may exist in comfort.

For instance, the gas man knows that people start getting up at 6 o'clock and that they eat breakfast between 7 and 8. He knows this because of the amount of gas he has to send out through the mains to boil the eggs, cook the cereal and brown the toast that is consumed at these breakfasts.

He knows that folks sit down to Sunday dinner between 1:30 and 2 p.m. Further, he has found out that most people are very, very lazy Sunday morning, or perhaps it is just because—about 11 o'clock—the habit of a late Sunday breakfast has such a strong hold.

### GOOD WAGES FOR FARM LABOR

OTTAWA.—The average wages per month paid to farm helpers in the summer of 1925 over the whole of Canada was $40 for men and $22 for women. The value of board received was reckoned at $23 for men and $19 for women. Thus the total received for wages and board in 1925 was $63 for men and $43 for women, per month.

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| Bonds | 67½% |

If holders of these Fractions will communicate with The Royal Trust Company, Montreal, that Company will endeavour, as far as possible, to arrange for the consolidation of these Fractions into complete units and wherever this is possible will remit to the Fraction holders the proportion of the market value of their Scrip and accrued revenue thereon.

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Limited
J. T. McCallum,
*Secretary-Treasurer*

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With business on the up-grade in Canada, will increasing demands for money result in any pronounced change in the market for bonds and stocks?

A careful review of the situation will be found in the new issue of Greenshields Review. A copy will be mailed on request.

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# *News of the Investment Market*

## GREATER INTEREST SHOWN IN BONDS OF CORPORATIONS

### High Grade Municipal and Public Utility Issues Also in Demand

The absorption of small remaining blocks of the Dominion issue in the hands of the numerous investment houses and banks all over Canada is followed by keener activity in the municipal market as well as in the better grade of public utility and corporation bonds. The market for the latter has been quite strong. A noticeable increase is evident in the confidence of Canadian investors in the corporation issues as these continue to demonstrate substantial earning power. As well as pulling up the average yield in the investor's list of securities, this increasing confidence makes Canadian capital more effective in the development of Canadian industries and natural resources.

The city of Toronto will be in the market next week for $4,995,000 serial bonds bearing interest at the rate of 4½ per cent. per annum. The bonds will be issued in coupon form of $1,000 denominations. The government of Nova Scotia is entering the money market to secure $5,000,000 to pay off maturing debentures and other obligations and is asking for offers for 4 and also 4½ per cent. coupon debentures payable at Halifax, Montreal and New York. Offers are solicited for 20, 10 and 3-year debentures.

The bond market has been consistently firm since the beginning of the year, and there is nothing on the horizon at the moment to suggest any change unless there is a substantial and unexpected increase in the available supply of bonds. Leading bankers predict a 4 per cent. basis at least for high grade underlying railroad bonds and other issues of that class, in the course of time. According to a forecast made by Francis H. Sisson in the current number of the American Bankers' Association Journal:

Present indications are that emissions of municipal bonds in 1926 will be in lesser volume. Expected reduction of federal income tax rates resulted in some selling of municipal bonds by investors in recent months. But an analysis indicates that exemption from taxation has been a minor price factor, and that, in comparison with yields from high grade taxable bonds, municipal bond yields are not too low, even with taxes reduced. With their excellent record of prompt payments, the broader basis for taxation that now exists, and a probable reduction in the volume of new issues, high grade municipal bonds at present prices appear attractive.

It is probable that insurance companies will be heavier purchasers of bonds in the coming year.

## Western Canada Flour Preferred Issue Coming

Public offering is to be made by A. J. Mitchell & Co., Ltd., and Dominion Securities of 25,000 shares of Western Canada Flour Mills, Ltd., 6½% sinking fund cumulative pref. stock at $99 per share to yield 6.56. The issue is made in connection with the refinancing and retirement of certain funded obligations, the details of which have already been outlined in these columns. The surplus capital resulting from the refinancing will be devoted to the improvement of the liquid position of the company.

After the present recapitalization of the company is completed, there will be outstanding $2,500,000 preferred stock and 86,250 shares of no par value. The company also reserves the right to issue $500,000 additional preferred stock in all respects pari passu with the issue outstanding.

The total net assets of the company stand at $7,258,247, equivalent to $2.90 per share of preferred. $5,925,105 represents appraised value of the properties and $1,133,141 the net working capital. Life earnings of the company for the past 6 years have averaged $481,025.29, equivalent to $19.24 earned on the 2,500,000 shares of preferred outstanding.

## Instalment Annuity Plan to Retire Ontario's Debt

### Committee Makes Tentative Suggestion to Provincial Treasurer—Rise in Indebtedness Makes Some Immediate Solution Urgent

While no announcement has yet been made by the Ontario Government with regard to the exact nature of the recommendations of the committee comprising Messrs. R. A. Daly and J. A. C. Kemp, on the retirement of the provincial debt, some information has been given out with regard to the general scope of the plan. It was intimated some time ago that the plan would probably involve the payment of some $3,000,000 over a period of forty years.

That the revenue of the province had increased in a decade from $13,000,000 to $46,000,000 and expenditure from $13,000,000 to $51,000,000 is sufficient evidence of the urgency for some means of overtaking the annual increase as well as wiping out the outstanding debt of the province. The funded debt of the province stood at $52,000,000 in 1916. To-day it stands at $277,000,000. This involves an increase in interest payments from $2,000,000 annually to $15,000,000.

Three possible solutions have been considered, the sinking fund plan, the instalment serial method and the instalment annuity method. With regard to the first of these, the treasurer made the following comment in his budget speech:

The sinking fund plan provides for the raising of a certain amount of money each year out of ordinary revenue. This money is then invested in our own bonds, or in such other securities as may be safe and produce the largest revenue. In the case of the Province of Ontario, with a debt of over $300,000,000, the sinking fund would soon assume very large proportions. In fact, it might at times reach a sum as high as $100,000,000. It will readily be seen that to handle a sinking fund this size, and ever increasing, that it would not only take a man of outstanding ability and integrity, but one who would do nothing else but watch the investment market in order to be able to make the best purchases and protect his fund. This would mean the setting up of a new department, with the staff and expenses occasioned thereby. It would also mean that with the declining rates of interest, the sinking fund would be operating on a declining rate for a considerable portion of the forty years, resulting in varying annual instalments. At the same time, on a great proportion of our present debt, we would be paying 5½ per cent. to 6 per cent.

With regard to the advantages of the second method, the committee above mentioned have made the suggestion that the effect of the instalment issue is to determine at the time of the loan, the net cost of the issue not only with regard to principal but also interest. "The net cost of a sinking fund issue, however, cannot be determined because of the fact that it is impossible to foretell the yield of the sinking fund for a long period of years, due to the changing rates for money and its effect upon the purchase price of bonds for the fund investment."

**Serial or Annuity Instalment Bonds?**

With regard to the relative advantages of the serial and annuity type of bonds, the treasurer, in his address, makes the following explanation:

**Serial Bonds**

This bond provides for the payment of the same principal sum each year over the period of the loan. It also provides for a payment of the interest which will decrease each year as the principal payments are made. It will be seen in this plan that the heavy payments of interest come at the beginning and that the principal payments remain the same. It would be extremely difficult for the province to adopt this plan as the principal payments at the beginning would involve the payment of $4,637,000 off the debt in each year.

In the annuity bonds the payments on principal and interest are so arranged that when added together they provide for the payment of the same amount each year during the period of the issue. The result is that the interest payment in the first year is high and decreases to a very small sum in the last year. Whereas the principal payment in the first year is low and increases to quite a large sum in the last year of the loan. In the annuity bond the sums payable at the beginning are not nearly as high as in the serial. It, therefore, forms a much better plan for the province to adopt considering its present financial position. If the province were in a position to pay heavy sums off its debt each year for the next ten years, and thereby break the back of its indebtedness, then the serial scheme would be the better one. I am afraid, however, that it involves too large a payment each year to enable it to be accepted as a practical one.

The committee have, therefore, indicated that they think the province should adopt the instalment annuity method.

Assuming the adoption of the recommendation of the committee, the instalment annuity plan, to all except the hydro debt and inscribed stocks, the province would have to pay yearly on principal and interest, the sum of $11,218,330 instead of the present payment each year of $9,782,019.

## NOTHING AVAILABLE FOR G.T.P. INTEREST

### Dividend for Perpetual Debenture Stock Not Earned, According to Report

MONTREAL.—"The final figures of the Grand Trunk Railway Company of Canada for the year 1925 show that the net earnings are not sufficient to pay any interest on the Grand Trunk Pacific four per cent. perpetual debenture stock for the year ending February 28, 1926, Sir Henry Thornton, chairman and president of the Canadian National Railways, states in a cable he has sent to the Grand Trunk Pacific stockholders' committee in England. The cable continues:

The figures which develop this result were reached by adopting the same basis as that employed by the auditors in their report which was furnished the stockholders committee in 1924 with the exception that interest on Grand Trunk Pacific securities guaranteed by the Grand Trunk and issued subsequent to the 1906 agreement, but since matured and paid off by the Grand Trunk Railway, has been taken into account in priority to the Grand Trunk Pacific four per cent. debenture stock. In view of the above the interest on the securities in question will not be paid.

Detailed figures are being forwarded to the European secretary of the Canadian National Railways for transmission to the secretary of the Grand Trunk Pacific stockholders' committee, but the following summary has already been cabled:

| Grand Trunk Railway: | |
|---|---|
| Oper. revenues, year 1925 | $75,343,604.39 |
| Operating expenses ....... | 59,129,791.28 |
| Net revenues from railway operations .............. | 16,213,813.11 |
| Taxes, fixed and other net income charges ......... | 19,567,114.25 |
| Income balance loss....... | 3,353,301.14 |
| Income balance loss, after making adjustments affecting Grand Trunk Pacific 4 per cent. deb. stock | 936,472.98 |

## Canadian Light & Power Securities to be Changed

MONTREAL. — Bondholders of the Canadian Light and Power Company have until April 1 to turn in their bonds to the trustee, who will then issue in exchange for each $100 bond $60 in new bonds and $40 in par value of common stock in the company.

The writing down of the capitalization was necessary, as the company was largely over-capitalized and had never really earned its fixed charges. The change in the financial structure and the present exchange of securities was agreed to by the bondholders at a meeting held in January of this year.

## Deficits Reported by Three of Four Hydro Radials

According to a statement made in the Ontario legislature by the Minister of Public Works, the Ontario Hydro Electric Power Commission is operating the following electric railways: Sandwich. Windsor and Amherstburg Railway. Guelph Radial Railway, Toronto and York Radial Railway, Peterborough Radial Railway.

In 1925 the Sandwich, Windsor and Amherstburg Railway showed a surplus of $64,435, the Guelph Radial Railway a deficit of $18,437, the Toronto and York Radial Railway a deficit of $247,122 and the Peterborough Radial Railway a deficit of $36,860.

## New York and Montreal Managers of Ames Change

A. E. Ames & Co., Ltd., announce that in accordance with their general policy of giving their senior men opportunities for acquiring first hand knowledge in different fields, that their New York manager, F. D. Chapman, will shortly assume his new duties as manager of their Montreal office, and that J. B. How, the present manager of the Montreal office, will assume his new duties as manager of the New York office.

F. D. CHAPMAN.

Each of these gentlemen has been manager in their respective offices for a number of years. Under their jurisdiction, each field has very materially enlarged the scope of its business.

J. B. HOW.

Before entering the investment business with A. E. Ames & Co., Mr. Chapman was with the National Trust Co. in Toronto. After spending a few years in the Toronto office of A. E. Ames & Co., he went to the New York office, where he shortly became manager. Mr. How is a Nova Scotia man, and had considerable experience in the investment business before going to the Montreal office of the company, where he shortly became manager.

## Manitoba Pulp and Paper Financing Announced Soon

WINNIPEG.—Manitoba Pulp & Paper Co.'s financing will soon be announced. Chicago investment bankers have taken a $4,000,000 first mortgage bond issue and will offer it in the United States and Canada in conjunction with Canadian houses. The company's mill is being rushed forward and the first machine will be turning out paper before the end of the year. Power will be supplied by Manitoba Power Co. on long term contract basis. It is stated that large investments in the company have been made by Spanish River, by Abitibi and by interests that in the past have been associated with the development of those companies.

Letters patent are now being issued incorporating the Manitoba Paper Co. at a capitalization of $11,500,000 against the $2,300,000 capital of the old company. The purpose of the reorganization is to make possible a considerable expansion in the operations of the company, when such is considered feasible. Of the total amount shown, $4,800,000 will be in the form of preferred stock and will be issued in the near future.

## NEW INVESTMENT HOUSE

Strathy R. Mackellar, who is well known in brokerage circles, announces the formation of the firm of S. R. Mackellar & Co., with offices at 21 Melinda Street, Toronto. Mr. Mackellar was recently elected a member of the Toronto Stock Exchange, and, in addition to this connection, he will specialize in securities listed on the Montreal, New York and Standard boards.

Mr. Mackellar was associated for five years with Laidlaw & Company, and during the past seven years has been a partner and manager of the stock department of John Stark & Company. He is vice-president of the Empire Life Insurance Company and a director of Arnold Bros.; among his other activities in the financial field is included the editorship of the Canadian Securities Manual.

Investment Consultation

IF you are in doubt about the safe investment of your money (whether it be a small or large amount) do not hesitate to consult us.

By so doing you incur no expense whatever, and place yourself under no obligation to us.

*Correspondence invited.*

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Price: 93 and interest to yield 7.60%.
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First (Closed) Mortgage Sinking Fund Gold Bonds
Due April 1st, 1935
April 1st, 1940
Interest payable half-yearly. April 1st and October 1st.
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# Municipal and Provincial Finance

## RADIAL PLAN IS REVIVED BY HYDRO TO GET SHOWDOWN

### Municipalities May Fight Claims of Hydro for Costs Already Incurred

Who is in favor of the Toronto-Hamilton section of the proposed Toronto - St. Catharines Radial? There was remarkably slim support for the project at the meeting held in Hamilton this week between the municipalities concerned and the Ontario Hydro Electric Power Commission representatives. Very few of the municipalities favor it. Apparently Hydro could not go ahead with the scheme even if the municipalities wanted it because of lack of legislation. There is a well supported feeling that Hydro is merely bringing the matter to a head. The question now is, who will pay for the return of the bonds to the municipalities, and whether Hydro or the municipalities will look after the payment of the $1,100,000 already spent.

That there is no definite intention to build the suggested radial line seems clear from the facts and from statements made by the Commission. The findings of the Sutherland Commission seemed to dispose of the matter finally at the time their report was made. Subsequent expenditures by Hydro seem to have been carried out without any legal sanction. Mr. Clarkson, special auditor before the Gregory Commission, stated that the Hydro had no right to divert power funds to radial purposes. His statement of the matter is:

"The view I take is that the money expended on Hydro Radial Railways had to be raised out of the sale of bonds of the commission supported as collateral by the bonds of the municipalities. I do not think there is any power in the commission or anybody else to pay these moneys out of that fund except for the specific purpose for which they are intended."

As a result of the situation outlined, the funds of the Hydro power municipalities are now short to the extent of more than $1,100,000. The question is a very live one as to whether Hydro, the municipalities, or the provincial government will be called upon to meet this payment. A resolution was passed at the Hamilton meeting that should it be "impossible to materialize any part of the project, a co-operative effort should be made to induce the provincial government to assume responsibility for expenditures amounting to $1,036,000, and to secure the return of the bonds deposited in connection with the scheme intact."

There is evidently going to be very stiff opposition to any delay in returning to the municipalities the bonds deposited by them to guarantee the completion of the road, without any deduction for expenses already incurred. Hamilton has taken a very decided stand on this matter, contending that the $6,400,000 of bonds deposited with the Commission were for the purpose of making good any deficit incurred in operation of the proposed road. As the road never operated, Hamilton refuses to claim any liability in the matter, and threatens taking the matter into the courts.

## Maritimes Will Press for Further Concessions

Following the apparent success of some of the western provinces in having the natural resources within their borders transferred to the provincial jurisdictions, Prince Edward Island plans to follow suit. Following is an extract from the speech from the throne delivered last week by Lieutenant-Governor Heartz:

"I note that negotiations are practically completed between the government of Canada and the governments of the western provinces for the transfer to the latter of their natural resources. Having in mind that as re-adjustment of the subsidies paid by the Federal and provincial government must inevitably follow, my government, in conjunction with the governments of Nova Scotia and New Brunswick, is preparing to present and press the claims of this province for further and fairer consideration in that regard."

### ZONING URBAN MUNICIPALITIES

Zoning of the municipalities in the Winnipeg district is being urged for the purpose of valuation and assessment ratings. At present the basis rate in St. James is said to be 25 per cent. greater than that in West Kildonan, and St. Vidal is between the two. Some uniform scheme of valuation is sought.

## Financial Man As Montreal's Mayor?

**From Our Own Correspondent.**

MONTREAL. — Vigorous efforts are being made to induce Luc Rochefort, vice-president of Credit-Canada, to become candidate for mayor at the forthcoming civic elections here. Should he decide to run, there would appear little doubt as to his election, for he would obtain the active support of the Montreal business community.

Mr. Rochefort occupies a prominent place in business and financial circles in Montreal. He is well known through his interest in the investment house of Credit-Canada, and was amongst the first to initiate the negotiations leading to the successful culmination of the present merger of the asbestos companies in the Eastern Townships of Quebec.

Again, he was largely interested in, and responsible for, the final settlement of the financial difficulties of some of the municipalities situated on the Island of Montreal, which culminated in the formation of the Metropolitan Commission and placed financing on the island on a satisfactory basis. He was also identified with the construction of the Mount Royal Hotel.

## Weston Merchants Protest Retail Selling by Hydro

Retail hardwaremen and other merchants of Weston, Ont., have joined in presenting a resolution opposing the sale by Weston Hydro-Electric Power and Light Commission of electric appliances to the citizens of the town through a retail store operated by the commission. Unfair competition is the basis of complaint. The resolution adopted by these merchants and presented to the town council reads:

"We, the undersigned merchants of Weston, petition you to ask the Weston Hydro Commission to discontinue the handling of electrical goods and appliances. We feel as taxpayers it is unfair, and also as electrical appliances are so well known that it is no longer necessary to introduce and handle them in Hydro offices."

### SURPLUS FOR VANCOUVER

Vancouver's civic budget as presented to the council for 1926 shows a surplus from 1925 of $76,000 and a provisional estimate of expenditures for this year, of $7,866,612. Revenue estimates for the year are $7,360,059, which is about $23,000 more than the receipts from all sources last year.

### UNLISTED BONDS
(Montreal Stock Exchange)

| | Bid | Asked |
|---|---|---|
| Abitibi Power, 6% 1940 | 102¼ | ... |
| Abitibi Power, 8% 1931 | 107 | ... |
| Alabama T. L., 5% 1962 | 118½ | 120 |
| Algoma Steel, 5% 1962 | 29¾ | 31½ |
| Belding 5% 1936 | 85 | .. |
| Belgo Can. Paper, 6% 1943 | 100½ | 101¼ |
| Bell Telephone, 5% 1955 | 100⅝ | 101 |
| Brompton P. & P., 8% 1941 | 108 | 109½ |
| Brompton P. & P., 6% 1939 | 97 | 99 |
| Burns, P. & Co. 6½% 1943 | 102⅞ | 104 |
| Brand-Henderson, 6% 1939 | 90 | .. |
| Canada S. Lines, 7% 1942 | 104¼ | 105 |
| Canada S. Lines, 6% 1943 | 87¾ | 88½ |
| Can. Light, 5% 1949 | 63¾ | 64¼ |
| Can. National Rys., 5% 1954 | 101½ | 102⅛ |
| C. N. R. Inc., 5% 1930 | 56 | 58 |
| Can. Steel Fdys, 6% 1936 | 100 | ... |
| Can. Pac. Ry., 5% 1934 | 100 | 100½ |
| Can. Pac. Ry., 4½% 1944 | 94 | 94¾ |
| Consumers' Glass, 6% 1935 | 87 | ... |
| Davies, Wm. & Co., 6% 1942 | 94½ | 96 |
| Dom. Iron & Steel, 5% 1939 | 61 | 62 |
| Dom. Textile, 6% 1949 | 106 | ... |
| Duke Price Power, 6% 1949 | 104 | 105 |
| East Koot. Pr., 7% 1942 | 102½ | ... |
| Fraser, 6% 1950 | 98¼ | 98½ |
| Frontenac Brew., 6% 1951 | 96 | ... |
| H. Smith Paper, 7% 1941 | 101 | 101¾ |
| Jamaica Pub. Serv., 6% 1943 | 102 | 103 |
| Lake Sup. Paper, 6% 1941 | 105 | ... |
| Laurentide Power, 5% 1946 | 100 | ... |
| Laurentide Power, 5½% 1946 | 102⅝ | ... |
| Laurentian Power, 6% 1936 | 100¼ | ... |
| Maple Leaf Mill., 6½% 1943 | 104 | ... |
| Manitoba Power, 7% 1941 | 105 | ... |
| Mont. Tram., B, 5% 1955 | 93 | 93⅝ |
| Mont. Tram. Scrip. | 9.65 | .. |
| Mont. Steel, 6% 1940 | 100 | ... |
| Mont. Water & P., 5% 1932 | 93 | ... |
| Mont. Water & P., 4½% 1932 | 97¼ | ... |
| Mont. Pub. Serv., 5% 1942 | 95⅝ | 95¾ |
| Nova Scotia Tram., 5% 1946 | 89 | ... |
| N. S. Tram, 7% 1952 | 98 | 100 |
| Ontario Pulp, 6% 1931 | 107 | ... |
| Ottawa Gas Co., 6% 1939 | 102¾ | ... |
| Ottawa & Hull Pr., 6% 1948 | 102½ | ... |
| Ottawa Mont. Pr., 6½% 1949 | 101½ | ... |
| Ottawa River Pr., 6½% 1953 | 102¼ | ... |
| Price Bros., 6% 1943 | 102⅛ | 103 |
| Paton Mfg. Co., 6% 1953 | 100½ | 101½ |
| Porto Rico Ry., 5% 1962 | 76 | ... |
| Prov. of Ontario, 5% 1948 | 101⅝ | 102⅜ |
| Quebec Power, 6% 1953 | 103 | 104 |
| Quebec Jac. Cartier, 5% 1931 | 94¾ | ... |
| Shaw. Cotton, 6% 1949 | ... | 85 |
| Shaw. W. & P., 5% 1934 | 101¼ | ... |
| Sherbrooke Ry., 5% 1940 | 77⅝ | ... |
| Span. River P., 8% 1941 | 107½ | ... |
| St. Law. Paper, 6½% 1944 | 108 | ... |
| St. Law. Sugar, 6% 1932 | 92 | ... |
| St. Maur. Val. Cot., 6% 1952 | 83 | ... |
| St. Maur. Pr., 6½% 1953 | 108½ | 109½ |
| Wabasso Cotton, 7% 1942 | 98 | ... |
| Wamsley, Chas., 6% 1943 | 96¾ | ... |
| Windsor Hotel, 6½% 1943 | 104¾ | ... |
| West Koot. Pr., 6% 1943 | 104 | ... |
| Western Power, 5% 1949 | 94¾ | ... |
| Western Power, 7% 1926 | 99 | ... |
| Winnipeg Elec., 6% 1954 | 97½ | 98½ |

### BOND MOVEMENTS OF THE WEEK
Week Ending March 16

| | Int. | | | Range, 1925 | | Range, 1926 | | Latest Price | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Bonds— | Rate | Due | Yield | High | Low | High | Low | Ask | Bid | High | Low |
| Asbestos | 5 | 1942 | 5.38 | 99 | 80¾ | 97 | 92 | 95½ | .. | 95¾ | .. |
| Can. Canners | 6 | 1950 | 6.40 | 96¼ | 90 | 95½ | 94 | 95¼ | 94¾ | 95 | 94⅝ |
| Lyall Cons. | 6 | 1932 | 7.05 | 93½ | 92½ | 94¼ | 94¼ | 96½ | .. | 94¼ | .. |
| Montreal Tram (A) | 5 | 1955 | 5.43 | 98¾ | 92¾ | 93⅝ | 92½ | .. | 93½ | 93⅝ | 93⅛ |
| Penmans | 5 | 1926 | 6.04 | 99 | 98 | 100 | 99 | .. | 98½ | 99 | .. |
| Quebec Rly | 5 | 1939 | 5.51 | 98 | 89¾ | 95 | 91⅞ | 95 | 94¾ | 95 | 94¼ |
| Steel of Can. | 6 | 1940 | 5.31 | 106 | 103 | 107½ | 106 | 107½ | .. | 107 | .. |
| Wayagamack | 6 | 1951 | 6.31 | 98¾ | 84¾ | 96¾ | 92 | .. | 95¾ | 96 | 95¾ |
| Winnipeg Elec. | 5 | 1935 | 5.26 | 95½ | 91 | 98 | 95⅛ | .. | 97½ | 98 | .. |
| War Loan | 5 | 1931 | 4.65 | 102.65 | 101.10 | 102.40 | 101.80 | 102.15 | 102.00 | 101.95 | 101.85 |
| Do. | 5 | 1937 | 4.51 | 104.95 | 103.80 | 104.65 | 103.85 | 104.55 | 104.40 | 104.50 | 104.15 |
| Victory Loan | 5½ | 1927 | 4.67 | 103.15 | 101.70 | 102.50 | 101.75 | 102.15 | 101.90 | 101.95 | 101.75 |
| Do. | 5½ | 1933 | 4.66 | 107.00 | 105.10 | 106.80 | 105.10 | 105.70 | 105.55 | 105.80 | 105.40 |
| Do. | 5½ | 1934 | 4.96 | 104.80 | 103.20 | 104.10 | 103.20 | 103.70 | 103.55 | 103.80 | 103.45 |
| Do. | 5½ | 1937 | 4.52 | 110.00 | 108.15 | 109.30 | 108.55 | 108.75 | 108.60 | 109.00 | 108.65 |
| Do., refund | 5 | 1928 | 4.68 | 104.45 | 100.15 | 101.30 | 100.55 | 100.80 | 100.65 | 100.85 | 100.65 |
| Do. | 4½ | 1940 | 4.85 | 97.25 | 92.20 | 96.70 | 96.00 | 96.40 | 96.25 | 96.40 | 96.00 |
| Do. | 5 | 1943 | 4.85 | 102.90 | 101.15 | 101.95 | 101.40 | 101.65 | 101.50 | 101.75 | 101.50 |
| Do. | 4½ | 1944 | 4.78 | 97.75 | 96.20 | 97.15 | 96.10 | 96.45 | 96.30 | 96.50 | .... |
| Do., renewal | 5½ | 1927 | 4.70 | 102.95 | 100.80 | 101.95 | 101.20 | 101.55 | 101.40 | 101.60 | 101.20 |
| Do. | 5½ | 1932 | 4.96 | 104.20 | 102.60 | 103.40 | 102.65 | 103.30 | 103.15 | 103.30 | 102.90 |

## MUNICIPAL COSTS REDUCED IN WEST

### Big Improvement Reported in Finances of Saskatchewan Rural Municipalities

Forecasts of a much better showing on the part of Saskatchewan municipalities have been borne out by evidence presented at the annual meeting of the Association of Rural Municipalities held in Regina last week. The report presented by the president, T. H. Moffet, of Viceroy, indicates that the municipalities are getting well on their feet.

Much is known and probably too much has been said about the position which many of the Western municipalities were in within the past few years. Discrimination is not always made between the municipalities which have conducted their finances on a thoroughly sound basis all along and those which have not. The former class are vastly in the majority, and yet the credit standing of all has been more or less under a shadow on account of the position of some of the defaulters, whether the defaulting was the result of unwarranted expenditure or whether it was the result of conditions over which the municipalities had no control.

But the situation has improved. In his address, Mr. Moffet explained that over-borrowing was no longer indulged in, and that there is a growing tendency to "pay-as-you-go." A number of municipalities were able to carry out the 1925 program without borrowing a dollar, and many more will not find it necessary to borrow during the present year. Increased cash balances are in evidence to a gratifying degree. The same thrift and self-denial which has been found necessary to the farmer in handling his own affairs has been applied to public financing and to municipal business in general.

One fact of importance pointed out by Mr. Moffet is the increasing use of more business-like methods. Reference was made to the example and influence of Hon. Chas. Dunning during his regime as provincial treasurer. He "gave a lead and direction in matters of finance to lesser governing bodies such as municipal councils, that was not overlooked by them." Regardless of what are the immediate causes of greater economy in public borrowing, the fact of importance is that the municipalities have learned their lesson, and have decided upon a policy of keeping within their means.

## Tenders and By-Laws

**March 24, Town or Salaberry de Valleyfield, P.Q.—$175,000, 5 per cent., serial bonds. L. J. Boyer, city clerk.**

**March 23, Village of the Basin of Chambly, P.Q.—$70,000, 5 per cent. serial bonds. R. Perrault, secretary-treasurer.**

**April 8, Saskatoon.—$109,730, 5 per cent., 10, 15, 20 and 30-year debentures. Andrew Leslie, city commissioner.**

**March 25, Toronto.—$4,995,000, 4½ per cent. serial bonds, due 1926-1956. G. H. Ross, commissioner of finance.**

**Mar. 23, Nova Scotia**—The province has called for tenders for 4 and 4½ per cent. coupon debentures bearing interest semi-annually and dated April 1, 1926 as follows:—Twenty year debentures for $5,000,000 principal and interest payable in Halifax, Montreal, Toronto or New York, or, Ten year debentures for $5,000,000, principal and interest payable in Halifax, Montreal, Toronto or New York, or, Three year debentures for $5,000,000, principal and interest payable in Halifax, Montreal, Toronto or New York, or Two year debentures for $5,000,000, principal and interest payable in Halifax, Montreal, Toronto or New York.

Offers for part of this issue will not be considered. The highest offer will not necessarily be accepted. Provincial Treasurer, Halifax.

### SASKATCHEWAN

**List of Authorizations Granted by the Local Government Board From Feb. 27 to March 6, 1926.**

**Schools:** Rus, No. 2584, $3,000; Meadow Prairie, No. 2716, $3,800; Richardson, No. 2148, $2,400; Prairie College, No. 4248, $3,500; Meyronne, No. 3189, $5,000; Pinkham, No. 416, $6,500; Spenst, No. 2169, $3,000; Avondale, No. 954, $5,500; Neuhoffnung, No. 961, $3,000; Badger Hill, No. 2194, $2,000; Salvador, No. 109, $19,000; Forest Nook, No. 2048, $3,000; Roe, No. 755, $3,000; Herbert, No. 1075, $20,000; Hemersyde, No. 4642, $4,600. Britannia Rural Mun., No. 502, $2,500.

**Debentures Reported Sold**

North West Weyburn R. Tel. Co., $1,800, 15 years, 6 per cent., locally.

### BRITISH COLUMBIA

The following certificates have been issued by the Municipal Department of the Province of British Columbia upon the following dates:

Feb. 13, 1926, City of Port Moody, "debenture by-law, 1926," No. 164, $100,000, ten years, 5½ per cent.; Feb. 27, 1926, District of Burnaby, "road by-law, 1925," No. 491, $74,000, fifteen years, 5 per cent.; Feb. 27, 1926, District of Burnaby, "sidewalk by-law, 1925," No. 492, $8,500, fifteen years, 5 per cent.; Feb. 27, 1926, District of Burnaby, "Grandview highway extension by-law, 1925," No. 493, $26,000, fifteen years, 5 per cent.; Feb. 27, 1926, District of Burnaby, "fire area No. 2 by-law, 1925," No. 494, $2,500, two years, 5 per cent.; March 1, 1926, District of North Vancouver, "Centre Road and St. Denis Ave construction loan by-law, 1926," $80,000, twenty years, 5½ per cent.; March 3, 1926, City of Cranbrook, "public works equipment by-law, 1925," No. 261, $15,000, ten years, 5 per cent.; March 3, 1926, City of Cranbrook, "street construction by-law, 1925," No. 262, $22,000, ten years, 5 per cent.; March 3, 1926, City of Cranbrook, "sidewalks reconstruction by-law, 1925," No. 263, $8,000, ten years, 5 per cent.; March 6, 1926, City of Prince Rupert, "local improvement consolidating by-law, No. 569," $89,870, ten years, 5½ per cent.; March 6, 1926, City of Prince Rupert, by-law No. 570, $18,500, ten years, 5½ per cent.; March 8, 1926, City of Port Moody, "waterworks debenture by-law, 1926," No. 165, $4,500, ten years, 5½ per cent.; March 8, 1926, Township of Esquimault, "high school loan by-law," No. 165, $12,000, twenty years, 5 per cent.

## WEEKLY RECORD OF CANADIAN FINANCING

| Place Bond Sales— | Date | —Sold To— MUNICIPAL | Rate | Maturity | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Pembroke | Mar. | H. R. Bain & Co. | 5% | 10 & 30 ins. | $60,514 | 99.53 | ... |
| Smith's Falls | Mar. | H. R. Bain & Co. | 5% | 1946 | 257,375 | 99.08 | 5.08 |
| Barton Twp. | Mar. | Harris, MacKeen & Co. | 5¼% | 1936 | 8,131 | 103.55 | 5.04 |
| New Toronto | Mar. | C. H. Burgess & Co. | 5½% | 5 to 20 ins. | 119,905 | 101.21 | 5.32 |
| Sudbury | Mar. | Aird, Macleod & Co. | 5% | 5 & 20 yr. | 24,800 | 98.40 | ... |
| Point Claire | Mar. | Rene T. Leclerc | 5% | 1946 | 92,000 | 98.25 | 5.21 |
| Saskatchewan Phones | Mar. | Locally | 6% | 1941 | 1,800 | .... | ... |
| La Salle, Ont. | Mar. | R. M. Bird & Co. | 6% | 1946 | 15,500 | .... | ... |
| St. Catharines | Mar. | Locally | 5% | 1946 | 135,000 | .... | ... |
| Carleton County | Mar. | Doherty-Easson & Co. | 5% | 5, 10 & 20 ins. | 154,280 | 100.27 | ... |
| Dalhousie, N.B. | Mar. | R. A. Daly & Co. | 5½% | 1951 | 60,000 | 104.07 | 5.20 |

## This Week's Bond Sales

### TOWN OF POINTE CLAIRE

The firm of Rene T. Leclerc were the successful bidders for an issue of $92,000, 5 per cent., serial bonds of the town of Pointe Claire, P.Q. The tenders submitted follow:

| | |
|---|---|
| Rene T. Leclerc | 98.25 |
| McLeod, Young, Weir & Co. | 97.847 |
| Hanson Bros. | 97.76 |
| Dominion Securities Corp. | 97.53 |
| Wood, Gundy & Co. | 97 40 |
| L. G. Beaubien & Co. | 97.17 |

### DALHOUSIE BONDS SOLD

An issue of $60,000, Dalhousie, N.B., 5½ per cent., 25-year school debentures, has been awarded to R. A. Daly & Co., on a bid of 104 07. The bids were:

| | |
|---|---|
| R. A. Daly & Co. | 104.07 |
| C. H. Burgess & Co. | 103.04 |
| Mackay & Mackay | 102.55 |
| J. M. Rboinson | 102.02 |
| Eastern Securities Co. | 101 57 |
| McLeod, Young, Weir & Co. | 100.68 |
| Thomas Armstrong & Bell | 99.50 |

### SMITH'S FALLS DEBENTURES

An issue of $257,375 Town of Smith's Falls, 5 per cent., 20-year instalment debentures has been awarded to H. R. Bain & Co., on a bid of 99.08. The bids were:

| | |
|---|---|
| H. R. Bain & Co. | 99.08 |
| R. A. Daly & Co. | 99.07 |
| A. E. Ames & Co. | 99.05 |
| Gairdner & Co. | 98.82 |
| Macneill, Graham and C. H. Burgess & Co. | 98.51 |
| Municipal Bankers' Corp. | 98.459 |
| Dyment, Anderson & Co. | 98.658 |
| Wood, Gundy & Co. | 98.43 |
| Bell, Gouinlock & Co. | 98.750 |
| Royal Securities Corp. | 97.27 |

### NEW TORONTO BONDS SOLD

C. H. Burgess & Co. were awarded the Town of New Toronto $119,905, 5½ per cent., 5, 10, 15 and 20-instalment bonds, on a bid of 101.21, or at a cost to the town of 5.32 per cent. The bids were:

| | |
|---|---|
| C. H. Burgess & Co. | 101.21 |
| Municipal Bankers' Corp. | 100.79 |
| Macneill, Graham & Co. | 100.78 |
| Roberts, Cameron & Co. | 100.75 |
| Dominion Bank | 100.77 |
| Toronto Bond Exchange | 100.75 |
| Mackay & Mackay | 100.75 |
| Wood, Gundy & Co. | 100.45 |
| Royal Securities Corp. | 100.27 |
| Bank of Commerce | 100 08 |
| Bell, Gouinlock & Co. | 98.00 |

### SUDBURY BOND ISSUE

The town of Sudbury has sold $20,000, 20-year, 5 per cent., sinking fund, and $4,800, 5-year, 5 per cent. instalment debentures at a price of 98.40, to Aird, Macleod & Co. Following is a list of tenders:

| | 20-yr. | 5-yr |
|---|---|---|
| Aird, MacLeod & Co. | 98.40 | 98.40 |
| Fry, Mills, Spence & Co. | 98.351 | 98.351 |
| C. H. Burgess & Co. | 97.92 | 97.92 |
| Royal Securities | 97.83 | 97.83 |
| A. E. Ames & Co. | 97.80 | 97.80 |
| Dyment, Anderson & Co. | 97.33 | 98.67 |
| Harris, MacKeen & Co. | 96.76 | 98.50 |
| Macneill, Graham & Co. | 97.00 | 97.00 |
| Standard Bank, Sudbury | 94.75 | 98.50 |
| Bank of Commerce, Sudbury. | 96 05 | .... |

### TOWNSHIP OF BARTON

The Township of Barton has sold an issue of $8,131, 5½ per cent., 10-year bonds to Harris, MacKeen & Co., at 103.55, or on a cost basis of 5.04 per cent. The bids were:

| | |
|---|---|
| Harris, MacKeen & Co. | 103.55 |
| H. R. Bain & Co. | 103.49 |
| Toronto Bond Exchange | 103.31 |
| Matthews & Co. | 103.30 |
| Dyment, Anderson & Co. | 103.26 |
| Municipal Bankers' Corp. | 103.197 |
| Macneill, Graham & Co. | 103.17 |
| C. H. Burgess & Co. | 103.14 |
| Roberts, Cameron | 103.10 |
| Mackay & Mackay | 103.10 |
| Royal Securities Corp. | 103.03 |
| Gairdner & Co. | 103.027 |
| McLeod, Young, Weir & Co. | 102.91 |

### PEMBROKE BOND ISSUE

H. R. Bain & Co. were the successful tenderers for an issue of $54,224 Town of Pembroke, 5 per cent., 10-instalment local improvement debentures, and $6,290, 5 per cent., 30-instalment waterworks debentures, on a bid of 99.53. Following are the bids:

| | |
|---|---|
| H. R. Bain & Co. | 99.53 |
| Harris, MacKeen & Co. | 99.41 |
| Bell, Gouinlock & Co. | 99.40 |
| R. A. Daly & Co. | 99.25 |
| Matthews & Co. | 99.18 |
| Municipal Bankers' Corp. | 99.124 |
| C. H. Burgess & Co. | 99 13 |
| Macneill, Graham & Co. | 99.07 |
| Roberts, Cameron & Co. | 99.03 |
| Fry, Mills, Spence & Co. | 99.031 |
| Wood, Gundy & Co. | 98.95 |
| McLeod, Young, Weir & Co. | 98.81 |

### HONEY PRODUCTION IN B. C.

VICTORIA.—Despite weather conditions that were most unfavorable to honey production, the bee-keeping industry of British Columbia showed a steady advance last year, according to the annual report of the provincial apiarist. Production amounted to 638,319 pounds, as against 679,289 pounds in 1924. The average production per hive, spring count, was 41 lbs., as compared with 46 lbs. in 1924, and 32 lbs. in 1923. The number of bee-keepers shows an increase, rising from 2,408 in 1924 to 2,426 in 1925. By the end of last year there were 15,505 hives, as against 14,604 in the previous year, an increase of 910.

### SYDNEY TAX DRIVE

SYDNEY.—The biggest tax drive in the history of the city opened here this week with the issue of tax warrants for 800 ratepayers. Orders are to distrain if possible and if not to arrest and hold until payment.

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March 19, 1926
Announcement—

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# *Insurance for Buyer and Seller*

## INSURANCE GAINED IN ALL BRANCHES; 1925 RECORD YEAR

### Life Insurance in Force Over Four Billion; Fire Losses Down

The extraordinary gains in life insurance in Canada in 1925 are no surprise to those who have been watching the reports of the companies as they have been issued.

The figures issued this week from Ottawa show a marked increase in the amount of insurance issued as compared with the previous year.

The gross amount of new business issued in Canada by Canadian companies was 523,710,785 as compared with $458,943,535 in 1924, or an increase of 14.1 per cent. British companies issued $18,288,123 as compared with $18,366,743 in 1924. Foreign companies issued $265,098,183 being 19.7 per cent. in excess of the $221,490,719 issued the previous year. The total for all classes of companies of $807,097,091 is an increase of 15.5 per cent. over the amount issued in 1924, $698,800,997. The business written by Canadian companies is divided into ordinary $460,423,294, industrial, $31,311,350 and group, $31,976,141; British companies, ordinary, $10,409,755 and industrial, $7,878,368 and foreign companies, ordinary, $141,834,360, industrial, $115,207,548 and group $8,056,275.

The gross amount of business in force for Canadian companies is shown as $2,761,733,559; for British companies $112,320,099 and for foreign companies $1,380,854,620, making a total business in force in Canada at the end of 1925, $4,254,908,278 as compared with $3,841,569,324 at the end of 1924 or an increase of $413,338,954. The increase in 1924 was $341,793,313 and for 1923 $268,429,600.

Lapses and surrendered policies during the year were for Canadian companies $139,064,209 and $64,309,118 respectively, being together 38.8 per cent. of the new business issued as compared with the corresponding percentage 41.2 per cent. in the preceding year; for British companies $9,724,994 and $2,336,961 respectively, being together 66 per cent. of the new business written as compared with 65.1 per cent. for 1924, and for foreign companies $106,322,739 and $24,293,083 respectively or together 49.3 per cent. of the business issued as compared with 50.4 per cent. in 1924. Taking all companies together the figures show lapses for the year amounting to $256,111,942 and surrendered $90,939,162 as compared with $231,891,137 and $80,619,686 in 1924.

**An increase of 2 per cent. in the premiums written and a decrease of nearly 6 per cent. in the losses incurred sums up the experience of fire insurance companies in Canada in 1925 when compared with that of 1924.**

Net premiums written, licensed reinsurance deducted amounted to $53,044,959 and net losses incurred $28,116,864, the loss ratio being therefore 53.01 per cent. compared with 58.80 per cent. in 1924.

The premiums written by Canadian companies amounted to $8,718,282, by British companies $24,055,290 and by foreign companies $20,271,387 as compared with $9,002,447, $23,552,080 and $19,571,944 respectively in 1924.

| | 1925 | 1924 |
|---|---|---|
| Alberta | 41.85% | 57.66% |
| British Columbia | 57.27% | 53.63% |
| Manitoba | 46.71% | 60.11% |
| New Brunswick | 63.39% | 68.43% |
| Nova Scotia | 75.38% | 58.02% |
| Ontario | 51.54% | 60.77% |
| Prince Edward Is. | 18.81% | 45.05% |
| Quebec | 54.81% | 56.32% |
| Saskatchewan | 47.85% | 60.22% |

Stuart Lowrie, for the past year cashier in the Manufacturers' Life office at Edmonton, has been promoted to the post of resident secretary for his company in Japan. He goes to the largest foreign branch of the company. Mr. Lowrie spent a year in the head office at Toronto and then went to the Calgary office as cashier, remaining there a year before going to Edmonton. He is now at head office in conference with executives and will sail for Japan from Vancouver on May 1.

### Hydro Places Insurance Through Municipal Body

Ontario's hydro-electric system insures through Municipal Underwriters, Limited, according to information given the Ontario legislature. The amount of insurance carried amounts to $12,258,204, including fire and liability. Premiums in the year to October 31, 1925, totalled $154,338. Practically all insurance was placed through the Municipal Underwriters, Limited, as brokers. This company is controlled by the Ontario Municipal Electrical Association, through directors nominated by the said association, and all the profits are disposed of in the interests of the said association and the municipalities represented.

### Sees Insurance as Factor To Eliminate All Depression

"I do believe the day is coming when life insurance companies of this country will be able to so regulate economic matters through the great resources they control and the great work they are doing, as to offset those cycles or eras of depression and 'bad times' about which one hears so much to-day," declared A. L. Petty, of Winnipeg, president of the Canadian Life Underwriters' Association, speaking at the congress of Nova Scotia branch.

### Say Eaton's Will Help All Life Insurance Agents

That the life insurance companies as a whole would benefit greatly by the campaign recently inaugurated by the T. Eaton Life Assurance Company, is the opinion of an official of the company.

This campaign to sell life insurance by mail was recently reviewed in these columns.

The official is of the opinion that this publicity will directly benefit the other life companies, as, whereas they have agents in many cases, scattered throughout the Dominion, the T. Eaton Life Assurance Company, at present has none. Agents of other companies, canvassing people who have read the T. Eaton Life publicity, will find the ground already prepared for them. The whole idea, states the official, is to educate the public to life insurance. "We talk insurance by mail to people who have never heard of it," he said; "thereby helping the agents of other companies by breaking the ice for them."

Asked whether the company intended employing agents at a future date, he replied that he was unable to tell. "At present," he said, "we do everything by mail, we think that the catalogue has a 'punch' to it, carrying Eaton's name."

## Automobile is Always Potential Trouble Maker

### Wide Distribution of Powerful Machines Produces Serious Problems—Insolvent Drivers Are a Great Menace to Life and Property

**Second Article in New Series on Automobile Insurance**

IT HAS been said that the only time an automobile is free from hazard is when its storage battery has been removed or disconnected, its tank emptied of gasoline and the car itself encased in a fire-proof vault. When it is not in this condition it is a potential trouble maker, with almost unlimited possibilities of inflicting serious loss on its owner through doing damage to the person or property of others or through getting damaged itself.

The development and popularization of the automobile is an industrial romance. Never before has any industry sprung from nothing to such staggering proportions in so short a time. In 1903 there were 220 automobiles registered in the whole of Canada. In 1924, only twenty-one years later, there were no less than 652,000 cars in use in the Dominion. In other words we had one car for every twelve persons two years ago, and the number of cars has increased since that time.

Combining these statements, one realizes the gravity of the problem involved in the general distribution of a machine with so serious an inherent hazard. The function of insurance companies in indemnifying automobile owners is therefore of national importance. What is more, if insurance protection could be extended to cover the field completely, many of the problems resulting from the universal use of the automobile would disappear. For example, an insolvent driver, if fully protected by insurance would not be the economic menace he is to-day. The important role that insurance has played and is playing in the development of the automobile industry itself can not be overlooked. Had the insurance companies not assumed a large part of the burden of the inevitable toll of lives, injuries and destruction of property that go with the introduction into every-day life of vast numbers of powerful machines capable of great speed, the automobile industry could not have grown to its present proportions.

The insurance needs of the car owner fall naturally into two classes. First, insurance covering damage which the car itself might sustain, and second, damage which the car might cause to the person or property of others. Risks of the first

(Continued on page 22)

## "Know Your Insurance Company"

Significant is a tendency on the part of the business executives to pay more attention to the companies in which they place their fire insurance.

Formerly, it was left to the insurance agent or broker to choose the companies. The business man took the agent's advice entirely as to the companies which were to get the business. Often the insurer did not see his list of companies nor even bother to read the names on the policies.

To-day the situation is changing. The business man wants to know with whom he is doing business. He wants to be assured of the reliability of the company, not only as regards financial strength but as regards the calibre of the directorate and management since this touches directly the likely attitude of the company in prompt payment for losses and the avoidance of niggardly questioning of fair claims.

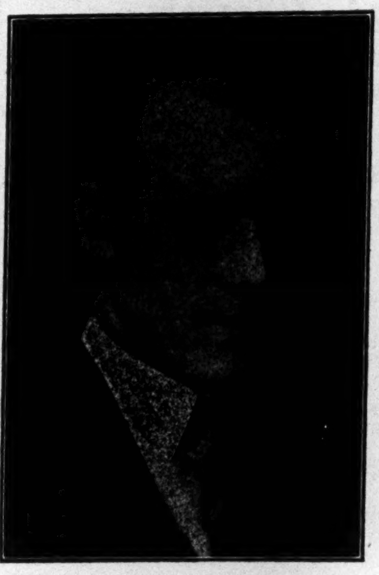
The situation with regard to the promotion of the purchase of insurance in Canadian companies; in regard to the development of non-tariff and mutual companies; and the public skepticism in relation to insurance costs has strengthened this change of attitude among business men.

The fire insurance companies themselves are beginning to realize the situation. Especially across the line are companies making stronger appeals to the insurance buyer rather than talking only to the intermediary seller—the agent. For instance, a recent announcement by the Liverpool, London and Globe's American head office speaks in these frank words:

"At last our business men are removing a great responsibility from the shoulders of the insurance representative—one that he should not have been asked to shoulder.

"The executive is taking upon himself the choice of his fire insurance company. The representative is at his command to offer advice and suggestions and furnish a full record of the companies he represents. But the actual decision rests where it properly belongs, with the man whose earnings are being invested in protection.

"This principle not only relieves the agent of a burden. It gives to the insured the satisfaction of knowing more intimately the company he is doing business with."



**T. H. N. FLEMING,**
**who has been appointed inspector for the Excelsior Life, working out of Regina. While teaching school, Mr. Fleming took out a local agent's contract in 1922, and in May, 1925, was appointed district agent at Indian Head. Two months later he was promoted to the office of inspector at Indian Head, and his removal to Regina gives him a larger sphere of work.**

W. J. Blackburn, secretary of the Western Canada Insurance Club addressed the Winnipeg Bankers' Lecture Club on "Fire Insurance" at the Fort Garry Hotel last week.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

It Supplements, Not Supplants, the Credit Man

When a new ocean liner is built, it may be the last word in strength, power, efficiency, luxury. It may be so staunch and sturdy as to be proof against storms and dangers of almost every sort. Yet the owners would not for the world send that vessel out without a *captain*—without the most experienced, competent captain they could find.

So, in business, when a firm buys

Credit Insurance

as the last word in credit protection, it would not even think of operating without a credit captain—the Credit Manager.

In fact, the latter's seasoned judgment, and his personal ability and experience, invariably help credit insurance to function at maximum efficiency.

Manufacturers and Jobbers, the real way to save money in your credit department is by *backing up* your credit manager with a policy of Credit Insurance. Let us show you how our broad service will make him more valuable to you than ever before.

CANADIAN DIVISION
The AMERICAN CREDIT
INDEMNITY COMPANY
of New York — J. F. McFadden, *President*

R. J. MULLEN, General Manager for Canada.
Toronto Office: 1702-8 Metropolitan Bldg., Phone: Main 4316
Montreal Office: Canada Cement Bldg., Phone: Lancaster 3258
8730

SUN LIFE ASSURANCE COMPANY
OF CANADA
HEAD OFFICE : MONTREAL

A BILLION DOLLARS
of life assurance in force.

Branches in all the larger centres

COUPON SAVINGS
(20-PAY LIFE) AGE 30, ANNUAL DEPOSIT, $184.00.
BENEFITS — $5,000 for natural death. $10,000 for accidental death. $50 a month for total and permanent disability with all future premiums paid by Company and $5,000 paid dependents at your death. $24.75 in dividends at beginning of second year and increased dividends every year thereafter.
Ask your nearest Northern Life Agent about this attractive plan, or write our Home Office.
The NORTHERN LIFE
ASSURANCE COMPANY OF CANADA
LONDON, ONTARIO — ESTABLISHED, 1897

THE MONARCH LIFE
IS A
GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

Northwestern Mutual Fire Association
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA, HAMILTON, ONTARIO
THE NORTHWESTERN MUTUAL
Combined loss and expense ratios on Canadian business for a five-year term is lower than the average ratio alone of all companies.
Writing Fire Insurance at Cost. Assets $2,604,266.13.
Norman S. Jones, Manager for Canada. R. J. Mahony, Associate Manager.
All Policies dividend paying and non-assessable.

Pass them on!

Let us assume your financial worries. Protect yourself against accident and sickness, and your property against fire and theft. Insurance lifts a heavy burden from your shoulders.

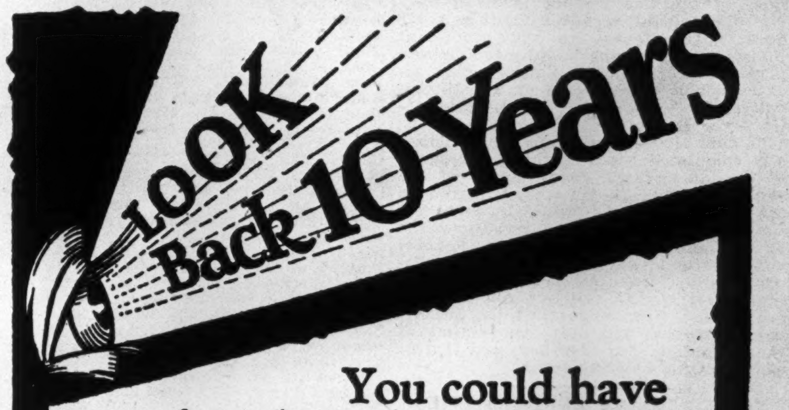
The British America Assurance Company of Toronto
Established 1833

Metropolitan Life
Insurance Co.

The Company's Canadian Head Office is in Ottawa where its Canadian business east of the Rockies is transacted. Canadian premiums are received, Canadian policies issued and Canadian claims paid in Ottawa.

Business Written in Canada in 1925....... $165,123,047
More than that of any other company.
Insurance in force in Canada, end of 1925. $633,544,780
Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1925.. 2,215,742
Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1925...... $ 8,540,178
Investments in Canada, at end of 1925....... $125,150,919
Invested in Canadian Government and Municipal Bonds.. $ 86,743,283

Head Office-Ottawa, Canada



You could have put by a lot more money by a compulsory savings plan

WHAT money have you thrown away in the last ten years? What could you have done without and suffered no discomfort or deprived yourself of no real pleasure?

Had you taken advantage of the Mutual Life insurance ten years ago and compelled yourself to meet premium payments, what a snug asset you would have had today?

Figure out with the Mutual Life agent where you would have stood financially today had you taken a Mutual Life policy ten years ago. You would now have a valuable cash asset in addition to protection. Profit by the errors of the past ten years. Talk over your finances with the Mutual Life agent and get his advice as how to protect your future more adequately. He will show you an interesting and easy method of saving and reaping financial rewards.

The MUTUAL LIFE of Canada
WATERLOO, ONTARIO
908

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary
W. H. HUNTER, President
ALEX. STEWART, Treasurer

The Sure Shield
What a Contrast! Widowhood in want and Widowhood provided for by Insurance foresight. Consult the Dominion Life Representative. He is a trained man.
301
The DOMINION LIFE ASSURANCE COMPANY.
Head Office: WATERLOO, Ontario

# Current Events in Banking World

## WESTERN BANKS IN THE U.S. ARE STILL FAILING

### Had Not the Resources to Work Out Agricultural Deflation

*Despite the many criticisms which have been heard in Western Canada of Canada's branch bank system, because of the head offices in Eastern Canada, the very weaknesses charged against the system, it is now indicated, actually proved its strength during the period of agricultural deflation from the high peak of 1920. In the United States under the unit system, hundreds of independent banks in the Western States failed. Western Canada avoided a similar experience it would seem because the burden of agricultural deflation was successfully carried by the national banks which had not put all their eggs in one basket. Canada's one bank failure was due, not alone to agricultural deflation, but, in no small measure, to industrial speculation.*

*As indicated by the following article from the American Banker, bank failures as the result of the agricultural adjustment are still occurring in the United States, six having occurred in the State of Missouri since the first of the year.—J. W. T.*

That the failure of six banks in Missouri since January 1, 1926, is part of the cleaning up process, which has been proceeding in the agricultural West since the inflation period following the war, and is no criterion of actual conditions, is the opinion of well informed bankers. The most recent of these failures in Missouri was that of the Farmers Exchange Bank of Gallatin, Mo., with loans of $670,000 outstanding.

The banks closed, it is thought, had been carried in a "chloroformed" state for the last few years.

The Missouri situation, bankers say, never was as bad in some of the neighboring states to the north where wheat was a great factor and where prices of farm lands were skyrocketed to levels that made the profitable farming of such lands an impossiblity at any reasonable valuation of commodities.

"At one time," says a New York banker, "there were 267 banks doing business in the West that should have been closed."

This banker said that by spreading the suspensions over a number of years an actual panic had probably been avoided. "In many cases these banks have been able to work out their own salvation and are to-day perfectly solvent."

The predicament of the country banks in the West during the deflation period was in many cases the result of conditions which they could not control. They were literally swept into a vortex from which there was no escape. While there are a good many evidences of foolhardy speculation and some out-and-out betrayals of trust, most of the failures came as a result of the wave of irresponsible optimism that swept the agricultural West during the period of inflation that followed the signing of the armistice.

## Staff Gossip

C. H. Kennedy, of Wingham is the new ledger keeper at the Jarvis branch of the Canadian Bank of Commerce.

* * *

Mr. Saunders, formerly of the Canadian Bank of Commerce staff at Manyberries, has been transferred to the managership of a new branch of that institution at Kimberely.—Enterprise, Blairmore.

* * *

Following an illness which lasted for the past 18 months, the death occurred recently of Murney Morris, former manager of the Woodstock branch of the Imperial Bank of Canada. Mr. Morris was born in Bowmanville, Ont., 62 years ago. He served the Imperial Bank for many years in Calgary, Brandon and Winnipeg. He was manager of Woodstock branch for eight years.—Spectator, Hamilton.

## INVESTMENT HOUSE BUYS ROYAL BANK

### In 1928, Nesbitt, Thomson & Co. to Occupy Present Bank Headquarters

**From Our Own Correspondent.**

MONTREAL.—An evidence of the expansion of the interests of the investment house of Nesbitt, Thomson and Company is seen in the latter's recent purchase of the present head office building of the Royal Bank in Montreal.

It is anticipated that early in 1928 the new 20-storey office building of the Royal Bank will be ready for occupancy; at that time the bank's present structure will be taken over and occupied by Nesbitt, Thomson and Company. The building will also house the head offices of the many power companies with which the investment house is intimately connected.

There is the possibility that in 1928 Nesbitt, Thomson and Company may find it necessary to add to the present capacity of its purchase, either by the addition of another storey or by the rearrangement of the internal floor space The building is four storeys in height and situated on St. James Street in the heart of the financial district of Montreal. The ground floor is at present used as the main banking room of the bank and is 85 feet in height.

The price paid for the property has not been made public by either of the contracting parties.

## Declining Deposits in Ontario Savings Offices

The amounts on deposit in the Government Savings Offices on the 31st of October in each year since these offices were established were as follows:

| | |
|---|---|
| Oct. 31, 1922 | $ 2,688,087 |
| Oct. 31, 1923 | 13,682,990 |
| Oct. 31, 1924 | 22,013,860 |
| Oct. 31, 1925 | 19,222,689 |

### BANK OF MONTREAL

A branch of the Bank of Montreal is being opened at 5003 Sherbrooke St., W., Westmount, corner of Claremount Ave. to be known as the Claremount Ave. and Sherbrooke St. branch.

### SHE RODE OVER IT

Having been impressed with the advantages of having a check book, the sweet young thing opened an account.

Said the nice-looking teller to the nice-looking girl, when she made her first deposit: "You didn't foot it up."

"No," she replied innocently, "I took a taxi."

T. E. Squires, who has been attached to the Jarvis staff of the Canadian Bank of Commerce, has been transferred to Toronto.—Sachem, Caledonia.

## Hand-to-mouth Buying Increases in States

Since the break in the stock market, business has been intently studying the question of whether a decline in trade is forecast. A decline has actually taken place, but it is, in part at least, seasonal. After the lapse of a week or more since the break, business generally, as seen by leaders, is showing satisfactory tendencies. But business is inclined to be optimistic under such circumstances, where braced up sentiment is apt to sell more goods. At any rate, an abnormal amount of conservatism has crept into the situation and the hand is going even more deliberately to the mouth than heretofore in the buying arena.

As to actual existing facts, they are as follows: Wholesale commodity prices are still falling. They began to do so in the closing weeks of 1925 and have been steadily doing so since. Bank clearings in February declined substantially. This is seasonal. They have declined in every February, but the decline this year is not as great. A gain of 3 per cent. is shown over February a year ago. Failures are fewer than they were in January, but slightly larger than in February a year ago. Freight car loadings were a shade smaller than in February, 1925. Employment in manufactures is 2 to 3 per cent. greater and wages a little higher.—Bache Review.

Capital: $1,000,000
Reserve: 350,000

Complete Trust Service

covering
Wills and Trusts
Mortgage Loans
Real Estate and Investment
Registrar and Transfer Agents
Safety Deposit Vaults

THE EASTERN TRUST COMPANY
Head Office—Halifax, N.S.
Saint John, N.B. St. John's, Nfld.
Charlottetown, P.E.I.
MONTREAL—138 St. James St.
23

## Surplus of Deposits Over Loans Again Increased in January

Current loans of the Canadian banks contracted further to the extent of $33,667,000 during the month of January, according to the government bank statement. During the month there was a decline in savings deposits of $2,587,000. However, while current loans were lower by $41,105,000 as compared with January, 1925, savings deposits were greater by $66,665,000. The total of savings deposits of $1,316,288,358, compares with current loans of $869,591,897, showed a surplus of savings over loans to Canadian business of about $447,000,000.

The gross assets of the banks during the month declined by more than $120,000,000. In addition to the reduction in current loans there was a reduction of $15,271,000 in Canadian call loans and substantial reductions in balances in foreign banks, gold reserves and specie. Loans abroad showed an increase of $14,714,000 and loans on government securities were up by $8,534,000. Demand deposits showed a reduction of $73,440,000, foreign deposits were reduced by $25,649,000, and circulation was lower by $13,290,000. Following are comparative figures showing the changes during the month and year:

**BANK STATEMENT FOR MONTH OF JANUARY**

**Immediately Available Liquid Resources**

**ASSETS**

| | January, 1926 | December, 1925 | Change | January, 1925 | Change |
|---|---|---|---|---|---|
| Specie | $ 56,611,142 | $ 68,687,028 | —$ 12,075,886 | $ 56,981,590 | —$ 370,448 |
| Dom. Notes | 152,874,479 | 156,739,879 | — 3,865,400 | 158,724,307 | — 5,849,828 |
| Gold Res. | 53,360,332 | 71,060,332 | — 17,700,000 | 43,652,533 | + 9,707,799 |
| U. K. Banks | 9,487,115 | 10,171,955 | — 684,840 | 7,107,138 | + 2,379,977 |
| For. Banks | 55,125,822 | 63,676,177 | — 8,550,355 | 51,752,770 | + 3,373,052 |
| For. Curr. | 23,956,602 | 31,612,605 | — 7,656,003 | 26,374,523 | — 2,417,921 |
| Gov. Secs. | 360,139,348 | 351,604,944 | + 8,534,404 | 332,487,826 | + 27,651,522 |
| Call Loans, abd. | 256,315,760 | 258,566,588 | — 2,250,828 | 204,956,791 | + 51,358,969 |
| | $967,870,600 | $1,012,119,508 | —$ 44,248,908 | $ 882,037,478 | +$ 85,833,122 |
| **Loans and Securities Other Than Those of Canadian Government** | | | | | |
| Pub. Secs. | $ 140,241,430 | $ 138,118,364 | + $2,123,066 | $ 149,278,157 | — $9,036,727 |
| Rly. Secs. | 62,362,788 | 59,847,161 | + 2,515,627 | 60,488,864 | + 1,873,924 |
| Can. Call Loans | 120,402,484 | 135,674,270 | — 15,271,786 | 114,148,522 | + 6,253,962 |
| Current | 869,591,897 | 903,259,725 | — 33,667,828 | 910,697,141 | — 41,105,244 |
| Loans ab'd. | 253,197,371 | 238,482,690 | + 14,714,681 | 202,950,538 | + 50,246,833 |
| Prov. Loans | 14,937,526 | 24,282,326 | — 9,344,800 | 18,281,244 | — 3,343,718 |
| Municipal | 56,112,442 | 52,733,704 | + 3,378,738 | 55,700,479 | + 411,963 |
| | $1,516,845,938 | $1,552,398,240 | —$ 35,552,302 | $1,511,544,945 | +$ 5,300,993 |
| **Other Assets** | | | | | |
| Non-Curr. Loans | $ 9,607,844 | $ 9,532,840 | +$ 75,004 | $ 11,191,749 | —$ 1,583,905 |
| Real Estate | 8,535,561 | 8,326,048 | + 209,513 | 8,298,776 | + 236,785 |
| Mortgages | 5,047,409 | 4,978,691 | + 68,718 | 4,043,826 | + 1,003,583 |
| Premises | 72,983,808 | 72,599,029 | + 384,779 | 73,135,525 | — 201,717 |
| Lets. of Cred. | 69,922,403 | 69,936,562 | — 14,159 | 59,732,919 | + 10,189,484 |
| Loans to Comp. | 4,984,120 | 5,054,930 | — 70 810 | 5,423,180 | — 439,060 |
| Other Assets | 3,337,390 | 3,576,147 | — 238,757 | 3,587,289 | — 249,899 |
| | $174,368,535 | $174,004,247 | +$ 364,288 | $165,413,264 | + $8,955,271 |
| Total | $2,659,085,073 | $2,738,521,995 | —$ 79,436,922 | $2,558,995,687 | +$100,089,386 |
| Note circ. dep. | 5,804,736 | 5,806,968 | — 2,232 | 6,229,794 | — 425,058 |
| Int. Bk. Bal. | 111,056,061 | 151,740,894 | — 40,684,833 | 115,845,839 | — 4,789,778 |
| Gross | $2,775,945,870 | $2,896,069,857 | —$120,123,987 | $2,681,071,320 | +$ 94,874,550 |

**LIABILITIES TO THE PUBLIC**

| | January, 1926 | December, 1925 | Change | January, 1925 | Change |
|---|---|---|---|---|---|
| **Liability to Government and Circulation** | | | | | |
| Circulation | $ 160,600,699 | $ 173,891,566 | —$ 13,290,867 | $ 155,303,093 | +$ 5,297,606 |
| Dom. Govt. | 18,171,261 | 22,280,261 | — 4,109,000 | 17,791,622 | + 379,639 |
| Prov. Govt. | 23,279,340 | 22,345,268 | + 934,072 | 26,792,603 | — 3,513,263 |
| Govt. Advances | 9,000,000 | 14,750,000 | — 5,750,000 | 18,600,000 | — 9,600,000 |
| **Deposits by Public** | | | | | |
| Demand Dep. | 524,008,635 | 597,449,238 | — 73,440,603 | 502,789,727 | + 21,218,908 |
| Savings Dep. | 1,316,288,358 | 1,318,875,483 | — 2,587,125 | 1,249,622,592 | + 66,665,766 |
| Total | $1,840,296,993 | $1,916,324,721 | —$ 76,027,723 | $1,752,412,319 | +$ 87,884,674 |
| Foreign Dep. | 328,143,851 | 353,793,514 | — 25,649,663 | 330,361,684 | — 2,217,833 |
| **Due to Banks Abroad, Etc.** | | | | | |
| U. Kingdom | $ 4,861,697 | $ 3,740,571 | +$ 1,121,126 | $ 10,779,488 | —$ 5,917,791 |
| Foreign | 39,477,765 | 35,905,197 | + 3,572,568 | 25,600,152 | + 13,877,613 |
| Bills Pay. | 12,735,063 | 14,449,743 | — 1,714,680 | 11,583,629 | + 1,151,434 |
| Lets. of Cred. | 69,922,403 | 69,936,562 | — 14,159 | 59,732,919 | + 10,189,484 |
| Other Liab. | 1,916,598 | 1,963,225 | — 46,627 | 1,981,892 | — 65,294 |
| Public liab. | $2,508,405,670 | $2,629,380,628 | —$120,974,958 | $2,410,939,401 | —$ 97,466,269 |
| Due Bet. Banks | 10,694,170 | 11,849,384 | — 1,155,214 | 13,629,126 | — 2,934,956 |
| **Liability to Shareholders** | | | | | |
| Dividends | $ 1,336,810 | $ 793,474 | + 543,336 | $ 1,318,922 | + $17,888 |
| Reserve | 125,441,700 | 125,441,700 | ......... | 122,191,700 | + 3,250,000 |
| Capital | 116,164,660 | 116,164,660 | ......... | 120,164,660 | — 4,000,000 |
| Gross | $2,762,043,010 | $2,883,629,846 | —$121,586,936 | $2,668,243,809 | +$ 93,799,201 |

## Weekly Bank Clearings

(In comparison with the same week last year.)

**EASTERN CITIES**

| | Mar. 13/25 | Mar.11/26 |
|---|---|---|
| Halifax | $2,701,412 | $3,035,729 |
| St. John | 2,474,963 | 3,164,029 |
| Moncton | 675,554 | 798,881 |
| Quebec | 4,310,083 | 4,570,842 |
| Sherbrooke | 671,464 | 711,338 |
| Ottawa | 5,380,302 | 5,810,855 |
| Montreal | 75,971,128 | 101,760,828 |
| Kingston | 553,343 | 716,760 |
| Peterboro | 730,628 | 695,734 |
| Toronto | 75,516,808 | 89,536,087 |
| Hamilton | 3,947,086 | 4,128,013 |
| Brantford | 807,905 | 1,145,832 |
| Chatham | ....... | 646,111 |
| London | 2,096,070 | 2,384,122 |
| Kitchener | 868,811 | 898,555 |
| Windsor | 2,516,901 | 3,214,521 |
| Total East | $179,222,458 | $223,218,237 |

**WESTERN CITIES**

| | Mar. 13/25 | Mar.11/26 |
|---|---|---|
| Ft. William | $ 528,156 | $ 741,141 |
| Winnipeg | 49,101,227 | 35,018,979 |
| Brandon | 443,555 | 430,243 |
| Regina | 2,740,670 | 3,191,586 |
| Moose Jaw | 864,104 | 949,258 |
| Saskatoon | 1,284,431 | 1,530,613 |
| Pr. Albert | 292,325 | 357,177 |
| Lethbridge | 468,498 | 499,444 |
| Calgary | 7,382,391 | 7,074,542 |
| Edmonton | 4,294,286 | 4,172,220 |
| Medicine Hat | 295,706 | 249,606 |
| N. Westminster | 554,274 | 626,054 |
| Vancouver | 12,888,426 | 15,681,912 |
| Victoria | 1,700,793 | 2,136,590 |
| Total, West | $82,838,842 | $72,659,365 |

BRITISH AMERICA ASSURANCE COMPANY
INCORPORATED A.D. 1833

Fire, Marine, Riots, Strikes, Civil Commotion and Explosion, Automobile, Burglary, Guarantee, Accident, Sickness, Liability and Plate Glass Insurance

JANUARY 1st, 1926

ASSETS
Government Bonds .... $908,924.55
City Bonds .... 309,677.43
Railroad Bonds .... 109,190.00
Corporation Bonds .... 473,770.00
Stocks .... 861,507.25
Real Estate .... 245,990.00
Accrued Interest .... 26,936.15
Balances due from other Companies 33,547.79
Cash in Banks and on hand .... 513,006.35
Agents Balances .... 462,928.28
Rents due .... 108.00
$3,945.585.80

LIABILITIES
Balances due other Companies .... $ 172,054.18
Losses under adjustment .... 518,001.00
Sundry Items .... 12,209.14
$ 702,264.32
SPECIAL RESERVES
For Taxes and Contingencies .... $ 61,000.00
For Unreported Losses .... 15,000.00
$ 76,000.00
SECURITY TO POLICYHOLDERS
Unearned Premium Reserve (on Canadian Government Basis) .... $2,117,757.04
Surplus to Policyholders .... 1,049,564.44
$.3,167,321.48
$ 3.945,585.80

LOSSES PAID SINCE ORGANIZATION OF THE COMPANY IN 1833 .... $59,199,828.27

CAPITAL STOCK Authorized .... $3,000,000.00
Subscribed .... 750,000.00
Paid Up .... 750,000.00

Board of Directors
WILFRID M. COX, President of the Company
SIR JOHN AIRD, President, Canadian Bank of Commerce; COL. HENRY BROCK, Director, The W. R. Brock Co., Ltd.; ROBERT BICKERDIKE, Montreal, Director, Canada Life Assurance Company; ALFRED COOPER, London, Eng.; H. C. COX, President, Canada Life Assurance Co.; D. B. HANNA, President, Western Canada Flour Mills Co. Ltd.; MILLER LASH, K.C., Barrister, of Messrs. Blake, Lash, Anglin & Cassels; T. G. MCCONKEY, General Manager, Canada Life Assurance Co.; GEO. A. MORROW, President, Imperial Life Assurance Co.; MAJ.-GENERAL SIR HENRY PELLATT, C.V.O., of Messrs. Pellatt & Pellatt, Stock Brokers; W. D. ROBB, Vice-President, Canadian National Railways; E. WILLANS, Managing Director, Imperial Guarantee & Accident Insurance Co.; E. R. WOOD, President, Central Canada Loan and Savings Co.

Officers
WILFRID M. COX, President and General Manager;
GEO. A. MORROW and HERBERT C. COX, Vice-Presidents; C. S. WAINWRIGHT, Assistant General Manager; G. STUBINGTON, Secretary.

Board at London, England
ALFRED COOPER, Chairman; RT. HON. LORD CABLE; SIR CHARLES JOHNSTON, BART.
BERNARD A. WHITE
British and Foreign Offices: 14 Cornhill, London, E.C.
W. A. MILES, Manager.

Head Office, 20 Wellington Street East, Toronto

# Return of the Chartered Banks of the Dominion of Canada, January 30, 1926

### Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of The Statutes of 1923

**LIABILITIES**

| NAME OF BANK | Notes in Circulation | Due to Dominion Government | Advances under Finance Act | Due to Provincial Gov'nm'ts | Demand Deposits in Canada | Notice Deposits in Canada | Deposits elsewhere | Bal. due to other Banks in Canada | Due to Banks in U.K. | Due to Banks elsewhere | Bills Payable |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal | 41,287,248 | 10,178,636 | ........ | 3,220,030 | 144,346,784 | 369,368,326 | 71,072,382 | 2,600,310 | 1,332,992 | 5,294,173 | 910,555 |
| Nova Scotia | 13,864,903 | 1,449,780 | ........ | 1,311,467 | 27,832,960 | 116,928,080 | 33,955,190 | 1,932,510 | 452,637 | 1,488,494 | 969,672 |
| Toronto | 7,324,857 | 174,379 | ........ | 1,073,627 | 29,987,427 | 52,105,502 | ........ | 1,389,843 | ........ | 2,075,745 | 109,575 |
| Provinciale | 3,552,043 | 68,535 | ........ | 252,924 | 4,532,925 | 29,655,235 | ........ | ........ | ........ | 30,789 | ........ |
| Commerce | 25,504,147 | 2,919,361 | ........ | 4,460,664 | 113,552,918 | 216,502,048 | 43,105,213 | 529,123 | 1,427,867 | 10,431,358 | 2,668,038 |
| Royal | 35,428,850 | 1,400,452 | 8,000,000 | 6,235,429 | 115,431,492 | 274,551,817 | 176,267,497 | 1,522,018 | 389,272 | 16,376,484 | 7,963,029 |
| Dominion | 6,774,488 | 468,720 | 1,000,000 | 978,164 | 24,780,589 | 60,955,133 | 2,263,249 | 810,189 | 413,914 | 1,392,597 | 114,194 |
| Standard | 6,082,760 | 252,451 | ........ | 1,111,535 | 18,258,545 | 48,809,512 | ........ | 1,177,602 | 622,157 | 1,549,602 | ........ |
| Can. Nationale | 10,980,034 | 469,167 | ........ | 878,325 | 18,022,055 | 80,634,469 | 1,480,320 | 575 | 187,527 | 565,425 | ........ |
| Imperial | 9,156,232 | 726,119 | ........ | 3,723,241 | 25,671,435 | 64,562,891 | ........ | 732,000 | 35,331 | 253,712 | ........ |
| Weyburn Security | 645,137 | 63,661 | ........ | 33,934 | 1,600,505 | 2,215,344 | ........ | ........ | ........ | 19,386 | ........ |
| Total | 160,600,699 | 18,171,261 | 9,000,000 | 23,279,340 | 524,008,635 | 1,316,288,358 | 328,143,851 | 10,694,170 | 4,861,697 | 39,477,765 | 12,735,063 |

| NAME OF BANK | Letters of Credit | Other Liabilities | Dividends Declared & unpaid | Reserve Fund | Capital paid up | Total Liabilities | Capital authorized | % last dividend | Loans to Directors | Average gold and Coin Held | Average Dominion Notes held | Greatest amount notes in circ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | % | $ | $ | $ | $ |
| Montreal | 12,667,349 | 641,026 | 913,441 | 29,916,700 | 29,916,700 | 723,666,658 | 31,175,000 | 12 | 1,523,014 | 24,081,587 | 61,161,669 | 44,984,896 |
| Nova Scotia | 5,713,253 | 174,360 | 15,356 | 19,500,000 | 10,000,000 | 235,579,667 | 15,000,000 | 16 | 1,210,552 | 9,203,800 | 12,126,884 | 15,261,644 |
| Toronto | 1,355,235 | 170,229 | 1,664 | 7,000,000 | 5,000,000 | 107,768,086 | 10,000,000 | 12 | 855,542 | 425,763 | 5,800,066 | 7,977,857 |
| Provinciale | ........ | 139,302 | 4,113 | 1,500,000 | 3,000,000 | 42,735,869 | 5,000,000 | 9 | ........ | 183,807 | 282,257 | 4,088,723 |
| Commerce | 13,629,295 | ........ | 7,064 | 20,000,000 | 20,000,000 | 474,737,098 | 25,000,000 | 12 | 4,881,295 | 17,345,000 | 21,260,000 | 28,257,859 |
| Royal | 28,837,465 | ........ | 18,931 | 24,400,000 | 24,400,000 | 721,222,743 | 30,000,000 | 12 | 1,557,648 | 11,314,744 | 20 166,552 | 38,994,168 |
| Dominion | 6,199,770 | 536,172 | 3,752 | 7,000,000 | 6,000,000 | 119,690,937 | 10,000,000 | 12 | 605,902 | 2,146,000 | 6,762,000 | 7,367,421 |
| Standard | 357,056 | 255,463 | 145,356 | 2,900,000 | 4,823,400 | 86,345,443 | 5,000,000 | 12 | 309,191 | 773,196 | 3,891,329 | 6,660,795 |
| Can. Nationale | 540,038 | ........ | 3,141 | 5,500,000 | 5,500,000 | 124,761,080 | 10,000,000 | 10 | 98,988 | 896,475 | 3,505,175 | 12,639,844 |
| Imperial | 622,942 | ........ | 210,278 | 7,500,000 | 7,000,000 | 120,194,185 | 10,000,000 | 12 | 387,257 | 984,660 | 9,026,922 | 10,001,677 |
| Weyburn Security | ........ | ........ | 13,714 | 225,000 | 524,560 | 5,341,244 | 1 000,000 | 5 | 64,945 | 22,719 | 57,215 | 870,937 |
| Total | 69,922,403 | 1,916,552 | 1,336,810 | 125,441,700 | 116,164,660 | 2,762,043,010 | 152,175,000 | ..... | 11,494,334 | 67,377,751 | 147,040,069 | 177,105,821 |

**ASSETS**

| NAME OF BANK | Current Gold and Subsidiary Coin | Dominion Notes | Notes of other banks | United States and other foreign currencies | Cheques on other banks | Balances due from banks in Canada | Due from banks elsewhere | Government securities | Canadian municipal British and foreign Securities | Railway and other bonds and stock | Call loans in Canada | Call loans elsewhere | Other current loans in Canada | Other current loans elsewhere |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal* | 20,436,209 | 67,386,408 | 3,153,576 | 767,632 | 19,379,835 | 143,829 | 12,394,901 | 88,419,007 | 40,482,895 | 2,945,945 | 12,161,966 | 150,548,433 | 203,293,139 | 37,294,382 |
| Nova Scotia | 9,399,720 | 8,570,967 | 948,460 | 1,829,268 | 6,769,932 | 11 | 2,809,017 | 33,912,534 | 11,031,926 | 14,316,753 | 14,587,054 | 19,361 259 | 65,623,748 | 21,625,674 |
| Toronto | 419,205 | 6,771,272 | 438,012 | 63,064 | 5,208,282 | ........ | 4,100,132 | 20,947,258 | 7,486,327 | 4,602,053 | 5,824,264 | 1,500,000 | 41,240,069 | ........ |
| Provinciale | 183,559 | 264,103 | 504,785 | 50,142 | 1,394,599 | 2,785,231 | 273,194 | 4,756,434 | 1,339,182 | 2,411,878 | 9,241,207 | ........ | 14,892,686 | ........ |
| Commerce | 9,702,400 | 20,179,159 | 1,861,010 | 1,430,895 | 14,540,437 | 447 | 18,876,561 | 58,739,750 | 27,597,765 | 11,825,420 | 22,302,941 | 19,868,715 | 179,005,072 | 31,910,868 |
| Royal † | 11,786,423 | 25,831,229 | 3,285,994 | 19,463,599 | 28,136,949 | 5,324 | 22,068,290 | 86,617,574 | 28,200,553 | 20,564,742 | 26,605,279 | 50,293,724 | 169,572,271 | 156,823,365 |
| Dominion | 2,146,950 | 4,726,944 | 860,875 | 102,008 | 4,247,070 | 7 | 1,351,012 | 17,199,393 | 6,026,767 | 2,494,304 | 7,855,242 | 7,193,629 | 49,749,672 | 2,116,611 |
| Standard | 599,125 | 8,720,542 | 461,939 | 34,341 | 3,573,987 | ........ | 852,990 | 12,232,586 | 3,650,697 | 1,880,819 | 7,883,825 | ........ | 38,250,847 | ........ |
| Nationale§ | 927,884 | 3,011,646 | 1,144,625 | 129,314 | 4,384,563 | 923,890 | 937,009 | 19,649,743 | 7,538,452 | 938,241 | 7,264,578 | 650,000 | 57,364,213 | 848,501 |
| Imperial | 986,138 | 7,355,105 | 715,683 | 83,832 | 4,579,481 | 684,223 | 798,769 | 16,797,741 | 6,877,552 | 50,576 | 6,676,128 | 6,900,000 | 48,633,700 | 2,477,970 |
| Weyburn Security | 23,529 | 57,104 | 25,445 | 2,507 | 26,109 | 871,451 | 151,062 | 867,328 | 9,314 | 332,057 | ........ | ........ | 1,966,480 | 100,000 |
| Total | 56,611,142 | 152,874,479 | 13,400,404 | 23,956,602 | 92,241,244 | 5,414,413 | 61,612,937 | 360,139,348 | 140,241,430 | 62,362,788 | 120,402,484 | 256,315,760 | 869,591,897 | 253,197,371 |

| NAME OF BANK | Loans to Municipalities and to provinces | Non-current loans | Real estate other than premises | Mortgages on real estate | Bank premises | Letters of Credit | Deposit for note circulation | In central gold reserves ** | Shares of and loans to controlled companies | Other assets | Total Assets |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal* | 20,600,342 | 2,723,345 | 904,464 | 1,263,284 | 12,150,000 | 12,667,349 | 1,282,241 | 13,000,000 | 1,478,485 | 682,663 | 725,560,342 |
| Nova Scotia | 5,391,415 | 389,351 | 57,900 | 82,787 | 7,507,478 | 5,713,253 | 473,820 | 6,000,000 | ........ | 121,759 | 236,524,095 |
| Toronto | 1,945,728 | 252,109 | ........ | 224,964 | 3,534,578 | 1,355,235 | 249,267 | 2,555,866 | ........ | ........ | 108,717,693 |
| Provinciale | 1,173,245 | 207,492 | 385,696 | 101,352 | 1,718,235 | ........ | 155,800 | 700,000 | ........ | 301,354 | 42,840,181 |
| Commerce | 20,101,838 | 2,009,981 | 2,172,282 | 763,853 | 11,917,063 | 13,629,295 | 1,000,000 | 7,000,000 | 1,574,734 | 330,269 | 478,340,767 |
| Royal † | 8,472,839 | 2,538,590 | 2,378,192 | 1,074,568 | 15,663,196 | 28,837,465 | 1,440,000 | 12,000,000 | 1,930,901 | 561,599 | 724,152,679 |
| Dominion | 624,374 | 307,073 | 71,253 | 19,721 | 5,937,994 | 6,199,770 | 310,000 | 900,000 | ........ | 470,919 | 120,911,599 |
| Standard | 1,498,274 | 609,803 | 297,122 | 177,420 | 3,744,776 | 357,056 | 258,000 | 1,300,000 | ........ | 174,898 | 86,559,055 |
| Nationale§ | 4,608,382 | 190,535 | 1,418,758 | 774,433 | 5,541,887 | 540,038 | 283,419 | 6,200,000 | ........ | 203,513 | 125,473,632 |
| Imperial | 6,622,564 | 278,008 | 664,122 | 471,777 | 4,976,764 | 622,942 | 325,458 | 3,504,466 | ........ | 416,020 | 121,499,030 |
| Weyburn Security | 10,967 | 101,557 | 185,772 | 93,250 | 241,837 | ........ | 26,731 | 200,000 | ........ | 74,289 | 5,366,797 |
| Total | 71,049,968 | 9,607,844 | 8,535,561 | 5,047,409 | 72,933,808 | 69,922,403 | 5,804,736 | 53,360,332 | 4,984,120 | 3,337,283 | 2,775,945,870 |

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**Of this deposit, $17,910,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank in Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, MARCH 9, 1926.

# The Foreign Exchanges

**Conducted by S. J. ZACKS.**

Movements of the foreign exchanges during the week were more abrupt and quite erratic. With interest centring about Belgian francs, a firming tendency is in evidence, but the market still appears unsettled. Belgian francs touched a new low of $.0398 off $.0053¾, after having been stabilized for over six months.

The Belgian rates broke sharply when the government withdrew its support on the market following heavy selling in London.

The immediate cause of the collapse was thought to be difficulties encountered by Belgium in negotiating the $150,000,000 of stabilization loan planned to be floated in connection with the nation's financial reorganization which began last year with arrangements to fund war debts to England and U. S.

The raising of the discount rate from 7 per cent. to 7½ per cent. by the Bank of Belgium in order to restrict credits and attract foreign balances were the first signs of weakness.

This break will undoubtedly have a great effect on the export and import business not only of Belgium but of many other European countries, particularly that of France. Present uncertainty regarding international relations in Europe, due to League of Nations council seats dispute at Geneva, has also had a disturbing influence, many of the European exchanges having sold off.

Ability of Belgium to renew stabilization immediately on a lower level probably depends on success in floating the stabilization loans. Present breaks will disturb internal and external confidence to a disastrous extent unless, some such event makes for better sentiment.

U. S. funds continued strong, the premium holding at about ⅜ per cent. Futures, 30 days delivery, sold on Wednesday at 11/32 per cent. premium, indicating future strength of U. S. funds. Sterling showed strength, cables on Wednesday were up to $4.87 15/16 bid and $4.88 1/16 asked. French franc was off considerably. There was also a sharp break in Norwegian which lost 17 points on Wednesday. The league's manoeuvring had much to do with the unsettled tone of the market.

In the South American group the tone was much firmer, with Argentine peso displaying considerable strength. The decline in recent weeks appears to have been the result of an adverse balance of trade due to smaller agricultural exports.

**NEW YORK FUNDS**

| | High | Low | Last Year High | Last Year Low |
|---|---|---|---|---|
| March 11 .. .. | 21-64 | 5-16 | 1-8 | 1-8 |
| March 12 .. .. | 5-16 | 5-16 | 1-8 | 3-32 |
| March 13 .. .. | 23-64 | 21-64 | 3-32 | 5-64 |
| March 15 .. .. | 3-8 | 11-32 | 3-32 | 3-32 |
| March 16 .. .. | 25-64 | 23-64 | 3-32 | 5-64 |
| March 17 .. .. | 3-8 | 23-64 | 3-32 | 3-32 |

**STERLING, FRANCS AND LIRE**

| | Sterling Close | Francs Close | Lire Close |
|---|---|---|---|
| March 11 .... ..... | 4.85¾ | 3.63 | 4.01⅝ |
| March 12 ......... | 4.85¾ | 3.64 | 4.01⅝ |
| March 13 .. ....... | 4.85¾ | 3.62½ | 4.01⅝ |
| March 15 .... ..... | 4.85 11/16 | 3.60¾ | 4.01½ |
| March 16 .. ....... | 4.85¾ | 3.60 | 4.01¾ |
| March 17 .... ..... | 4.85 13/16 | 3.57¾ | 4.01¾ |

**OTHER EXCHANGES**

| Par | | Close Mar. 10 | Close Mar. 17 |
|---|---|---|---|
| 19.30 | Italian ... ....... | .403¼ | 4.03¼ |
| 23.82 | German ... ....... | 23.89 | 23.90 |
| 32.45 | Brazilian ... .. | 14.74 | 14.42 |
| 19.80 | Belgium ... ..... | 4.56 | 4.06½ |
| 49.85 | Japan ...... ..... | 45.55 | 45.47 |

## BUSINESS SEES RELIEF IN TAX CUTS FORECAST

(Continued from page 1)

portance. There may be difference of opinion with regard to whether or not the pools bring any economic benefit in higher prices, ultimately. In periods of well-sustained and rising prices, they have been singularly successful. Will they be equally so under adverse conditions? The answer, however, does not affect the present situation. The important point is that $37,000,000 has been distributed among the 2,000,000 population of the three prairie provinces, a per capita addition to the buying power, of more than $18, or of nearly $100 for every family in these three provinces.

Apart from the actual benefits already realized, the disbursements have tended to restore confidence. Under the impression that the pool will insure satisfactory prices, the farmers have gone ahead producing on a large scale. This assured a very satisfactory crop. Further disbursements assure the preparation of larger areas for cultivation this spring. The effect is carried on into next year's operations and has a greater economic value.

This system of distribution operates greatly to the satisfaction of the retail community, also, and hence to business in general. It spreads income from the farms over a longer period so that it is not all made available for immediate and indiscriminate spending. It enables the farmer to budget, and is therefore economically beneficial.

## LAURENTIDE COMPANY LIMITED

**Dividend Notice**

A dividend of one and one-half per cent. (1½%) has been declared upon the Capital Stock of this Company, for the quarter ending March thirty-first, 1926, payable Saturday, April third, 1926, to Shareholders of record at the close of business March nineteenth, 1926.

By order of the Board of Directors.

W. F. ROBINSON,
Secretary.

Montreal, March 17th, 1926.

## *Would Call Big Business Men to Serve Country*

HAMILTON.—With the idea that the government of the country should have the benefit of the best brains available, C. A. Magrath, chairman of the Ontario Hydro Commission, at the annual dinner of the Hamilton Branch of the Canadian Manufacturers Association, suggested that outstanding men should be made ministers without portfolio. They would be paid ministerial salaries, but would have no department and thus would create a thinking force capable and having the time to deal with the large problems confronting the country.

Mr. Magrath felt that to-day cabinet ministers were worked too hard. During sessions they were kept extremely busy and were consequently not as efficient as they should be. For seven months in the year they were unable to give the time and thought that was necessary to the problems connected with the development of the country. If Canada had the wealth that was claimed for it, then it required serious-thinking men to direct its destiny.

## Saskatchewan Pool Would Buy Elevators

REGINA.—A signed offer for the purchase of part of the assets of the Saskatchewan Co-operative Elevator Co. having been received from the Saskatchewan Pool Elevators Limited, the directors of the "co-op" have called a special general meeting of shareholders.

The notice states the offer made by the pool elevators includes all country elevators with equipment, etc., the head office in Regina, the terminal plant and premises at Port Arthur, the Buffalo terminal including the contract now let for an addition, the leasehold interest of the company in the Canadian National elevator at Port Arthur.

The purchase price of the properties is to be determined by arbitration, limited according to the terms of the offer, security to be given for the purchase price in part and to a limited extent by the Saskatchewan wheat pool.

## J. C. Breckenridge New Head Land Mortgage Association

The thirty-ninth annual report of the Land Mortgage Companies' Association, presented at the annual meeting here, shows aggregate assets of thirty-eight companies comprising this association of $11,517,376,149, invested largely in mortgages in Ontario and in bonds of the Dominion, provincial and municipal governments. Legislation dealing with these investments and other matters of interest to the companies were reported to the meeting.

The officers elected for the ensuing year, together with the members of the executive committee, are as follows: President, J. C. Breckenridge, general superintendent, National Trust Company, Limited; first vice-president, Walter Gillespie, manager, Toronto Mortgage Company; second vice-president, E. E. Reid, general manager, London Life Insurance Company; secretary-treasurer, T. D'Arcy Leonard; George H. Smith, D. M. Cameron, M. Aylesworth, W. J. Helm, T. H. Main, J. M. Purcell, L. R. Young, C. W. Strathy, J. B. McKechnie C. E. Weeks, J. J. Gibson, and W. G. Watson.

## International Paper Company

The Board of Directors have declared a regular quarterly dividend of one and three-quarters per cent. (1¾%) on the Cumulative 7% Preferred Stock of this Company, and a regular quarterly dividend of one and one-half per cent (1½%) on the Cumulative 6% Preferred Stock of this Company, for the current quarter, payable April 15th, 1926, to holders of record at the close of business April 1st, 1926. Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD, Treasurer.

New York, March 3, 1926.

## OTTAWA LIGHT HEAT & POWER COMPANY, LIMITED

**Common Stock Dividend No. 21A.**

Notice is hereby given that a quarterly dividend of 1½% (one and one-half per cent.), being at the rate of 6% per annum, on the Common Stock of this Company has been declared for the period ending March 31st, 1926, and payable that date to Shareholders of record at the close of business on the 15th day of March, 1926.

The transfer books of the Company will not be closed.

By Order of the Board.

D. R. STREET, Secy.-Treas.

Ottawa, March 10th, 1926.

## OTTAWA LIGHT HEAT & POWER COMPANY, LIMITED

**Preferred Stock Dividend No. 3B.**

Notice is hereby given that a quarterly dividend of 1⅝% (one and five-eighths per cent.), being at the rate of 6½% per annum, on the Preferred Stock of this Company has been declared for the period ending March 31st, 1926, payable April 1st, 1926, to Shareholders of record at the close of business on the 15th day of March, 1926.

The transfer books of the Company will not be closed.

By Order of the Board.

D. R. STREET, Secy.-Treas.

Ottawa, March 10th, 1926.

## THE TORONTO GENERAL TRUSTS CORPORATION

**Dividend No. 119**

Notice is hereby given that a dividend of three per cent. (3%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending March 31st, 1926, being at the rate of

TWELVE PER CENT. PER ANNUM

and that the same will be payable on and after Thursday, the 1st day of April, 1926. The transfer books of the Corporation will be closed from Wednesday, the 17th day of March until Wednesday, the 31st day of March, both days inclusive.

By order of the Board of Directors.

W. G. WATSON,
General Manager.

Toronto, March 2nd, 1926.

## NEW "BACK TO LAND" MOVEMENT IN WEST

### Big Business in Farm Lands is Being Predicted For 1926 Season

WINNIPEG.—Western Canada will experience a great "back to the land" movement this year according to E. C. Ransby, of the Winnipeg Real Estate exchange, who in an address the other night quoted findings of the W. Sanford Evans Statistical service to substantiate his claim that 1926 would double the total of land sales made in 1925.

According to answers to a questionnaire submitted to eleven of the largest land selling corporations in the West, the total land sales for last year completely swamped the amount of acreage sold in the Prairie Provinces for the whole of the preceding three years. There were 673,162 acres sold in 1925, as compared to 320,105 in 1924, 155,091 in 1923, and 139,108 in 1922. Seventy-seven per cent. of this acreage was raw land, which means new farms. The remainder was improved land, of which alone more was sold in 1925 than in the three previous years. Homestead entries in 1925 totalled 635,840 acres. The companies mentioned reported unanimously that payment and collection conditions were never better in the history of the West.

Mr. Ransby points out that the exact figures would be considerably larger than those quoted, as the latter are taken only from the books of eleven companies, and do not consider the countless small concerns. In this movement, Mr. Ransby sees Manitoba and other Western provinces coming out of the slump into which they fell during the recent lean years.

### MUTUAL LIFE APPOINTMENTS

The rapidly increasing business of the Mutual Life Assurance Co. of Canada has necessitated the appointment of two new assistants in the agency department. Messrs. Ezra W. Smith, of Waterloo, and A. E. McCutcheon, of Winnipeg, have been appointed. The superintendent of agencies, G. J. A. Reany, will now have a very strongly equipped department, with G. A. Robinson as supervisor of Western agencies and Geo. M. Fisher, Ezra W. Smith and A. E. McCutcheon as assistant superintendents.

## Abitibi Power & Paper Company Limited

**Dividend Notice**

Notice is hereby given that a quarterly dividend of 1¾% has been declared on the Preferred Stock of the Abitibi Power & Paper Company Limited, payable the 1st day of April, 1926, to shareholders of record at the close of business the 20th day of March, 1926.

By Order of the Board.

W. H. SMITH,
Secretary-Treasurer.

**OPPORTUNITY WANTED**

Barrister, 32 years of age, graduate of University of Toronto, seeks position with financial or industrial corporation, either in legal or executive capacity. The applicant has had six years general practice and feels he has the ability and training to fill position of responsibility. Desires opportunity to rise. Communications treated confidentially.

Box 106, Financial Post,
Toronto, Ont.

## PLENTY OF MORTGAGE MONEY IN WINNIPEG

### No Indication of a Shortage of Loaning Funds in the Canadian West

WINNIPEG. — Capital is available in Winnipeg for all classes of building at rates lower than in any other Canadian city, according to officials of the industrial development board, who, in the course of investigation pertaining to capitalization of industries in connection with the industrial survey, have found that there is ample capital in Winnipeg to supply all the needs of legitimate enterprises. The mortgage, trust and insurance companies, it is stated, are all actively competing for new loans and as a consequence interest rates are kept down to a minimum.

Mortgage loans may be secured to finance the building of industrial plants, apartment blocks and homes at very favorable interest rates. There are 38 individuals and companies who are members of the Mortgage Loans Association of Manitoba, actively engaged in lending money on the security of mortgages in Winnipeg at the present time. There are also other firms and individuals, not members of the association, who are engaged in the same business. board officials declare.

## International Nickel Earnings Are Better

International Nickel shares are off on the market, selling down close to 36. The company's earnings are showing a marked increase over other years, as the recent annual report showed. Pres. Stanley says that the price of nickel in 1923-24 was subnormal, and, while the price to-day is lower than it was in pre-war years, and substantially less than during the war, the company has, nevertheless, been able to show increased earnings. Consumption of alloy steel is increasing proportionately far more rapidly than that of carbon steel, and, as nickel is being increasingly used by the alloy steel makers, it is evident that nickel steel is not only holding its position as a standard engineering material, but is being frequently specified for new applications. As a result of practical research and publicity the amount of nickel used to improve cast iron and brass in foundry operations is increasing, and this new outlet for nickel should eventually prove to be of commercial importance.

What is "Service"?

The action of one in behalf of another—performed in the interests of both—IS "SERVICE."

My Service increases Sales and Profits.
You can have this proven at little cost.

My counsel on—

**Sales Policies and Promotion,**
**Distribution Plans,**
**Advertising Programmes** (with valuable slogans),
**Manufacturing Problems,**

is backed by thirty years' successful application.
What better backing could you get?

TO SALES MANAGERS—

Having been a Sales Manager for many years, I feel warranted in assuming considerable knowledge of your problems related to both the internal organization and the field organization; your line of resistance; your many annoyances and irritating situations, and also the great value of full co-operation from all departments and executives, and the difficulties when it does not exist.

My work is in co-operation with Sales Managers, and once you realize its full value you will welcome my analysis.
Answers to the following questions may indicate whether my analysis and counsel would not be profitable,—

Has the factory any unabsorbed burden owing to plant not running to capacity?
Has the cost of sales, in percentage, increased?
Has advertising programme brought expected result or adequate returns from the appropriation?
Is the sales organization in a contented frame of mind, producing from each territory the proper ratio of business related to the population?
Could the quality of material in the sales organization be improved; and could the present material be moulded into a stronger and more aggressive sales force?
Is every possible method functioning that would cement closer the relationship between the dealer, the consumer and your Company?
Are the territories being covered sufficiently close, leaving no room for profitable expansion?
Is the training of the sales force of the character that fits them to meet any line of resistance?

I will deliver to the chief executives a true picture of the business, from an independent and impartial viewpoint.
Have travelled in many foreign countries, studying distribution plans.

INVESTING MONEY IN BUSINESS—

The sound business man does not put money into a business without a thorough investigation as to its future possibilities. Before investing money in a business, it will prove profitable to secure my analysis as to its possible future earnings, from a sales standpoint; also advertising requirements; as well as the manufacturing problems, should there be any.
Excellent credentials available.

F. E. MUTTON
*Business Economist*
705 Federal Bldg., Toronto, Adelaide 8031

*Commenced Business 1901* *Received Dominion Charter June 17th 1908*

## THE OCCIDENTAL FIRE INSURANCE COMPANY

**Montreal - - P.Q.**

**Guaranteed by**

***The North British & Mercantile Insurance Co. Ltd.***

### BALANCE SHEET AS AT 31st DECEMBER, 1925

**ASSETS**

| | | |
|---|---|---|
| Cash in Bank ..................... | | $100,563.79 |
| Agency Balances ........ | $85,723.31 | |
| *Less* Accrued Comm. ...... | 15,484.39 | |
| | | 70,238.92 |
| Sundry Debtors ............ | | 4,307.95 |
| LOSSES RECOVERABLE: | | |
| Licensed Companies ... | $ 2,685.79 | |
| Treaty Companies ... | 10,428.32 | |
| | | 13,114.11 |
| Bonds and Deb.—at cost .......... | | 570,847.80 |
| Market value ($597,085.00) as allowed by Government | | |
| Loans on Mortgages ............ | | 74,786.39 |
| Real Estate ............ | | 17,763.55 |
| Interest Accrued: | | |
| Accrued and not due ... | $9,763.40 | |
| Accrued and past due ... | 1,035.83 | |
| | | 10,799.23 |
| | | $862,421.74 |

**LIABILITIES**

| | | |
|---|---|---|
| Losses under adjustment and outstanding | | $ 30,498.30 |
| TREATY REINSURANCE CO. BALANCES | | |
| Current Account | $15,035.07 | |
| Treaty Reserve | 26,908.40 | |
| | | 41,943.47 |
| Sundry Creditors | | 10,909.25 |
| Taxes Accrued | | 5,965.33 |
| Reserve for Unearned Premiums ... | | 174,710.40 |
| TOTAL LIABILITIES TO THE PUBLIC ... | | $264,026.75 |
| CAPITAL STOCK—PAID UP | | 200,000.00 |
| SURPLUS— | | |
| Balance at credit 31/12/24 | $333,484.79 | |
| *Add*: Profit for year as per Accounts herewith | 64,910.20 | |
| | | 398,394.99 |
| | | $862,421.74 |

**BOARD OF DIRECTORS:**

C. A. Richardson, Montreal, President
F. J. L. Harrison, Winnipeg, Vice-President
W. L. Bond, K.C., Montreal
Hon. H. M. Marler, Montreal
H. M. Jaquays, Montreal

## The Dominion Bank

Notice is hereby given that a Dividend of three per cent. upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1926, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 1st day of April, 1926, to shareholders of record of the 20th March, 1926.

By Order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 26th February, 1926.

## Woods Manufacturing Company Limited

**Preferred Stock Dividend Notice**

The regular quarterly Dividend of one and three-quarters (1¾%) per cent. on the PREFERRED STOCK OF WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending March 31st, 1926, has been declared payable April 1st, 1926, to Shareholders of record March 20th, 1926.

By order of the Board.

JOHN T. F. KEENE,
Secretary-treasurer.

February 12th, 1926.

## The Toronto Mortgage Company

**Quarterly Dividend**

Notice is hereby given that a Dividend of Two and one-half per cent., being at the rate of Ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st April, 1926,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.

WALTER GILLESPIE, Manager.

ONTARIO

## SALE OF HARDWOOD TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including the 15th of April, 1926, for the right to cut the Hardwood Timber, comprising Birch and Maple, on an area in the District of Algoma, partly in the Mississaga Forest Reserve and partly in the section immediately South thereof, subject, amongst other conditions, to the manufacture of same into the finished product within the Province of Ontario.

FURTHER PARTICULARS may be obtained upon application to the undersigned, or the Deputy Minister of Lands and Forests, Toronto, Ontario.

JAMES LYONS,
Minister of Lands and Forests.

N.B.—No unauthorised publication of this Notice will be paid for.
TORONTO—January 22nd, 1926.

Free Manual

Covers listed New York Stocks, giving high and low prices from 1906 to date, dividends etc. Also gives high and low prices New York Cotton, Chicago Grain. Send for your FREE copy today. Dept.F-8.

H. C. SCHAUBLE & CO.
63-65 Wall Street. New York

## Canadian Pacific Railway Company

**Dividend Notice**

At a meeting of the Board of Directors held to-day the following dividends were declared:

On the Preference Stock, two per cent. for the half-year ended 31st December last;

On the Common Stock, two and one-half per cent. for the quarter ended 31st December last, from railway revenues and Special Income;

Both dividends are payable 1st April next to Stockholders of record at three p.m. on 1st March next.

By order of the Board,

ERNEST ALEXANDER,
Secretary.

Montreal, 8th February, 1926.

## The Northern Mexico Power and Development Company, Limited

Notice is hereby given that a dividend of One and Three-quarters per cent. (1¾%) has been declared payable, for quarter ending March 31st, 1926, on the Preferred Stock of this Company on the 1st day of April, to shareholders of record at the close of business on the 23rd day of March, 1926.

By order,

T. A. SPOOR, Secretary.

## The B. Greening Wire Company, *Limited*

**Preference Dividend No. 11**

Notice is hereby given that a quarterly dividend of one and three-quarters per cent. on the Preferred Shares of the Company has been declared payable April 1, 1926, to shareholders of record March 15, 1926.

F. J. MAW,
Secretary.

Hamilton, Ont., March 15, 1926.

## Canadian Locomotive Company, Limited

**Dividend No. 57**

Notice is hereby given that quarterly dividend of one and three-quarters per cent. on the Preferred Stock was declared payable April 1st, 1926, to shareholders of record March 20, 1926.

G. W. DALY,
Secretary.

Kingston, Ont., February 1, 1926.

Featuring Real Estate Bonds

# THE FINANCIAL POST

*The Canadian Newspaper for Business Men and Investors*

PUBLICATION OFFICE: TORONTO, MARCH 19, 1926

## Realty Bonds Reforming Sky-Lines of Our Cities

### Scores of Thoroughly Modern Office and Residential Structures Tower Above the Lower Horizon of an Older Generation

FITTING themselves into the sky-lines of many of our Canadian cities to-day are splendid new edifices built through the assistance of the real estate mortgage bond. They are helping to meet the ever-expanding demand for office and residential accommodation—they are modernizing and beautifying our cities—they are providing an attractive investment for surplus capital.

The origin of real estate mortgage bonds in Canada is now an old story. Almost since the beginning of large scale business on the American continent, the mortgage has been a favored type of investment as well as a means of further expansion on the part of the organization issuing it. When the cost of building operations was a fraction of what it is to-day, mortgages were held by private individuals as an investment. As engineering skill and the twentieth century mode of living combined to extend the four story structure to a twenty or thirty story skyscraper, it was no longer possible to find many individuals who could or would undertake so large an enterprise single handed. The growth of population in urban centres has gradually necessitated the condensing of living quarters and the modern apartment house has evolved. But as indicated, projects such as these require more capital than can usually be provided by one individual. The obvious solution was to split the mortgage up so that it could be sold in small or large units according to the needs of a large number of investors in all parts of the country.

**Is an Attractive Investment**

The real estate mortgage bond should be a very attractive form of investment and has been such in those cases where the recognized principles dictated by experience have been adhered to. In the case of a residential building a family which has fallen into financial difficulties will see that the rent is paid even if the grocer must wait. The home is protected at all costs. Furthermore the average larger Canadian city is developing rapidly enough to give rise to demand for a constantly expanding number of residential buildings. The demand for better and more luxurious quarters is growing, and as these new apartments hotels are made ready for occupancy, tenants are constantly found who will leave their older or probably less luxurious quarters for the thoroughly modern, fully equipped apartment. During the war period construction had fallen behind and there was a shortage of first class buildings in many leading cities. This, combined with the fact that funds had accumulated for this purpose, due to industrial depression, provides the argument for a gradual expansion in building through the flotation of mortgage bonds. In addition to having the bonds divided up into units which are within the reach of the average investor, the latter has the further advantage of being free from the trouble of investigation and supervision, which the holder of the first mortgage is obliged to attend to himself. There is no worry over repairs, taxes, insurance, interest, closure sales and similar difficulties. These matters are taken care of. Furthermore there is a wider margin of security than there was in the orginal first mortgage.

**Mortgage Retired Gradually**

An attractive feature of mortgage real estate bonds is the gradual retirement of the obligation over a period of years. Under these conditions the holders of the longer term bonds have an added security to their investment after the repayment of the short term issues. There is a serious problem of course as to the proper length of time, which the real estate mortgage should run. Some of the older houses insist that the period should not exceed ten years. Some of the recent smaller issues, on the other hand, have a duration of twenty years. These are criticised most severely by some of the older investment houses as being far beyond a safe period in these days of rapid changes. There are many factors to be considered in determining what the proper duration of these bonds should be.

The modern office building, too, is greatly in demand. Especially in the Canadian cities, office space has been allowed and there is always a movement from the older office buildings to the more modern, fully equipped edifices. This largely precludes the development of surplus space in so far as the newer buildings is concerned. The older buildings may suffer, but there are always tenants for the new.

The company offering first mortgage bonds, to-day, begins at the very beginning by ascertaining the moral character and financial responsibility of the men behind the proposition. Titles are searched and verified by the ablest lawyers available. If it is a construction loan, the building is inspected during erection by competent builders so that it conforms perfectly to the specifications. Every possible legal safeguard to an investor's capital is incorporated into the trust mortgage, by skilled legal counsel. Then, upkeep of the property, payment of taxes, maintenance of insurance, and the prompt collection of moneys as due are assumed as the mortgage bond company's duties, and are discharged, by trained men, so long as the loan remains in effect. Should foreclosure and seizure of the property become necessary this is done, and the investor continues to receive his interest or his principal when due without a day's worry.

For a considerable time now, such bond issues have been offered in Canada by reputable United States houses. Their safety, adequate income return, convenience and marketability have made them increasingly popular with the Canadian investor. Recently many Canadian investment houses have entered the field, and many new issues, discussed elsewhere, have been placed on the market.

## SOLUTION FOUND FOR DOWN-TOWN MOTOR PARKING

### New Public Garages Fill Much Felt Need in Congested Areas

An increasingly important factor in the office building section of the larger cities in Canada is the parking problem. The extensive use of the motor car, with the almost universal ownership in the business community, have wrought many serious problems, not only to our civic administrators but actual worries to the owners of large office buildings in the older, more-congested areas. Many of the owners of these old buildings have been dealt a particularly serious blow, especially since the newer office buildings have come into existence with adequate parking provisions for their tenants. Parking problem has been one of the factors responsible for the reduction of rents of the old offices in the more congested areas.

Undoubtedly a great onus of responsibility for the parking problem rests upon the shoulders of our civic officials in the organization and direction of the traffic and parking laws. Some of the larger American cities, in solving the problem, have made some of the down-town streets "express" where no parking or stopping is permitted and all traffic moves at a uniform speed, with outlets for traffic at every five city blocks. There is still much to be expected and hoped for in this regard from our civic officials.

It cannot be denied that the parking problem has been in part responsible for the early old age brought on to many of even our more up-to-date edifices. To the sentimental observer it is heart-breaking to see some of our beautiful office buildings pushed by the wayside, half-empty and tenanted by an inferior class of occupant.

Some financial institutions, particularly insurance companies which can carry on their business just as well, have moved to the more outlying parts of our cities. The parking difficulty no doubt has been one of the factors forcing these companies to take this step.

Constructive relief, however, is being found for the most part through other methods. As our civic officials are coming to realize the importance of the problem, their work in organizing traffic and parking zones has done much to alleviate the problem. Secondly, the down-town parking garages, a comparatively new institution, have cropped up. Of course this adds to the upkeep of the car and is an additional charge on business. Cautious far-sighted builders have undertaken the parking problems themselves in many cases, either by providing actual space in basements or other convenient locations. Vacant lots afford temporary relief.

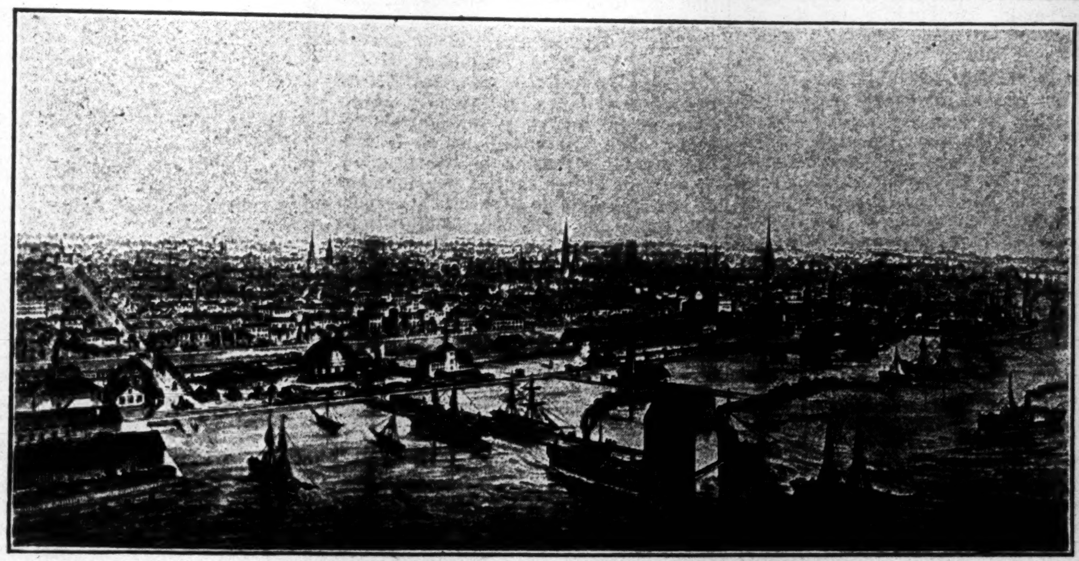
On the other hand many business men have been forced to leave their cars in the garages in the day time and drive to work in the new comfortable buses which are gradually displacing street cars, and becoming an increasingly important factor in the traffic situation. Human ingenuity arises to the occasion and a scientific treatment of the whole problem is in evidence.

## Building in Winter Shows Big Increase

Relative to the increase in winter building operations in Canada the Royal Bank of Canada in their current Monthly Letter state:

The volume of construction contracts awarded in January signify that business men are taking advantage of the saving in cost of material and labor which may be realized during the winter months. Building awards for the month amounted to $12,669,000, the highest on record since 1913 with the exception of 1920 when the price level was abnormally high. Business and industrial building are on an appreciably higher level throughout the country, the former showing increases of 272 per cent. and 240 per cent. over January, 1925 and 1924 respectively.

## What Building Investments Are Doing



Toronto Seen From the Waterfront in 1873

And as the City Appears From the Harbor To-day

## Montreal Buildings Filling Up Fairly Satisfactorily

### Large Additions Made to Apartment Space But Newer Flats Have Few Vacancies—Plenty of Office Space to be Obtained

**From Our Own Correspondent.**

MONTREAL. — Practically all real estate leases in Montreal, and this includes offices, apartments, residences and retail stores, date from May 1. It is possible, therefore, at this time of the year to make some estimate as to the price trend of rentals in this city.

There are many vacancies in office buildings here; this in a measure has caused the law of supply and demand to operate, and although prices have been reduced in the past, yet there is a point, in most cases, below which they cannot go for no owner is going to lease his buildings at rentals which do not provide for fixed charges. For this year, the demand for offices appears to be stronger than it was a year ago, but with a considerable number of vacancies it seems highly improbable that rentals will move upwards.

The demand for retail space is excellent. Montreal retailers are renewing their leases readily enough, and, although in the more valuable sections of the city, the demand for space is excellent, rents look like remaining at about the same level as last year.

**Increase in Apartment Space**

There has been a rapid increase in the number of apartment houses in Montreal but despite this, the larger apartment houses seem to be filling up readily enough. For instance, the new Chateau apartments will have only nine apartments vacant at the beginning of May. Apartment rents, in many instances, have fallen off a little within recent months. It seems probable that the landlords of the smaller apartment houses will be the ones who will be forced to lower their prices.

As the newer buildings are filling up satisfactorily, it seems reasonable to suppose that the increased apartment space in Montreal will be reflected in the lowering of the rental of the older apartments; it is said that the landlords of the larger and more old fashioned houses are also feeling the result of the increased apartment house space. It is possible to rent or purchase these older houses at very reasonable rates.

There is a definite trek from houses toward the modern apartment. This movement will possibly be checked somewhat by a little lower house rentals during the coming year.

Compared with the beginning of 1925, the demand for all forms of space, apartments, houses, residences or retail stores has improved. Taken by and large, therefore, it is felt that rents will not move downward appreciably this year, but, on the other hand, there seems little chance of any kind of an upward movement.

## Market Gradually Widening for High Grade Real Estate Bonds

The real estate bond has gained a firm foothold in Canada. Only a half dozen years ago the first issue was placed on the Canadian market and since that time more than forty-five issues have been brought out and absorbed in this market aggregating about $30,000,000. Financing by this method has spread into the field of stores, bank and office buildings, theatres, hotels, garages in addition to apartments. The yield is an attractive one, averaging from six to seven per cent. The security is usually satisfactory, and the bonds have the advantage of a choice in size and duration over the old first mortgage bonds.

| Date | Company | Amount | Rate | Maturity | Price | Yield |
|---|---|---|---|---|---|---|
| 1919 | Loew's, Toronto | $ 600,000 | 6 | Serial | ... | ... |
| April, 1921 | Can. Apartments | 50,000 | ... | ...... | ... | ... |
| Sept., 1921 | Prince Edward Hotel | 850,000 | 7½ | Serial | 100 | 7.50 |
| March, 1922 | Booth Bldg. | 750,000 | 6½ | 1937 | 100 | 6½ |
| June, 1922 | Carleton Hotel, Ltd. | 79,000 | ... | .... | ... | ... |
| June, 1922 | Transportation Bldg. | 1,000,000 | Sold in U.S. | | | |
| July, 1922 | Professional Offices | 275,000 | 7 | Serial | 100 | 7 |
| July, 1922 | Federal Building | 550,000 | 7 | 1937 | ... | ... |
| Aug., 1922 | Montreal Med. Bldg. | 900,000 | Sold in U.S. | | | |
| Nov., 1922 | Ogilvy Realty | 800,000 | 6½ | 1952 | 100 | 6½ |
| Dec., 1922 | Windsor Hotel | 2,500,000 | 6½ | 1943 | 100 | 6.50 |
| Jan., 1923 | Montreal Ins. Exch. | 2,200,000 | 6½ | Serial | 100 | 6½ |
| April, 1923 | Drummond Inv. | 2,000,000 | 6½ | 1938 | 99 | 6.60 |
| June, 1923 | Keefer Realty | 750,000 | 6½ | 1943 | 100 | 6.50 |
| June, 1923 | Canada Housing | 600,000 | 6½ | 1943 | 100 | 6½ |
| June, 1923 | La Patrie | 500,000 | 6½ | 1943 | 97½ | 6¾ |
| July, 1923 | Can. Property Co. | 1,300,000 | 6½ | Serial | 100 | 6¼-½ |
| Nov., 1923 | Devonshire Apartments | 450,000 | 6½ | 1938 | 100 | 6½ |
| June, 1923 | Barrington St. R. | 160,000 | 7 | 1938 | 100 | 7 |
| Feb., 1924 | Cavendish Court | 450,000 | ... | ... | ... | ... |
| April 1924 | Ouelette Apartments | 50,000 | 7 | Serial | ... | ... |
| June, 1924 | Drummond Invest. | 650,000 | 7 | 1938 | 98½ | 7.15 |
| July, 1924 | Victoria Manor Apts. | 135,000 | 7 | Serial | 100 | 7 |
| July, 1924 | Border Cities | 500,000 | 7 | Serial | 100 | 7 |
| July, 1924 | King Edward Hotel | 1,000,000 | 7 | Serial | 100 | 7 |
| Aug., 1924 | Metropolitan Building | 1,025,000 | 7 | 1944 | 100 | 7 |
| Aug., 1924 | Acadia Apartments | 850,000 | 6½ | 1939 | 98½ | 6.65 |
| Sept., 1924 | Med. Arts Bldg. | 550,000 | 8 | 1937 | 101 | ... |
| Oct., 1924 | Northern Ontario Bldg. | 850,000 | 6½ | 1939 | 98½ | 6.65 |
| Nov., 1924 | Admiral Beatty Hotel | 600,000 | 7 | .... | 100½ | 6.95 |
| Dec., 1924 | Kensington Manor Apartments | 95,000 | ... | .... | ... | ... |
| Jan., 1925 | Montreal Apartments | 1,875,000 | 6½ | 1940 | 98½ | 6.65 |
| Feb., 1925 | St. James Court | 250,000 | 6½ | Serial | 100 | 6½ |
| Feb., 1925 | Ellis Park Court | 275,000 | 7 | 1945 | 100 | 7 |
| Mar., 1925 | National Realty Corp. | 250,000 | 7 | 1945 | 100 | 7 |
| May 1925 | Alexandra Apartments | 350,000 | 6½ | 1940 | 100 | 6½ |
| May, 1925 | York Street Buildings | 160,000 | 6½ | 1940 | 98½ | 6.65 |
| June, 1925 | Two Hundred St. Clair Avenue | 180,000 | 7 | 1945 | 100 | 7 |
| Sept., 1925 | Stanley Realty Corp. | 400,000 | 7 | 1945 | 100 | 7 |
| Oct., 1925 | 347 Bay St. Building | 400,000 | 7 | 1940 | 100 | 7 |
| Nov., 1925 | Sherbrooke Realty Corporation | 675,000 | 6½ | 1940 | 99 | 6.60 |
| Dec., 1925 | York-Adelaide Realty Co. | 400,000 | 7 | 1945 | 100 | 7 |
| Jan., 1926 | Chomedy Apartments | 325,000 | 6½ | 1941 | 99 | 6.60 |
| Jan., 1926 | Deer Park Manor | 150,000 | 7 | 1940 | 100 | 7 |
| Feb., 1926 | Bloor-St. George Realty | 510,000 | 7 | 1946 | 100 | 7 |
| Feb., 1926 | Mountain View Apartments | 300,000 | 7 | 1946 | 100 | 7 |

## WATCH THESE POINTS ON REAL ESTATE BONDS

WHAT should a buyer of real estate bonds look for? What are the important factors which vitally concern every holder of this type of security? Here are a few of the important points which should be considered by prospective buyers. These are tests which the average investor can himself apply and which may act as a guide to future investments.

1. Responsibility of the owners and the contribution they have made to the cost of the building. Purely speculative ventures should be guarded against.
2. The life of the first mortgage bonds should be considerably shorter than the assumed life of the building.
3. The bond issue usually should not exceed a certain percentage of the total value of the property. John Moody says the proportion may safely run between 60 and 66 2/3 per cent. in large cities.
4. Both gross and net earnings should be followed. New York life insurance companies estimate that an office building or apartment house should show gross yearly earnings of 14 per cent. on its total value, or 10 per cent. net yearly earnings on its total value.
5. The bond house underwriting the first mortgage bond should be financially responsible and capable of distributing among investors the bond issue which they are assuming, and of making a good market for the bonds subsequently.
6. Emphasis should be placed upon the sinking fund. The bonds may be redeemed serially or by sinking fund, latter to be relatively small during the first few years while the property is establishing its earning power.

## New Buildings Are the Life of Business Area

### Construction Big Factor in Value of Real Estate

### Demands for Space Keep Well Up With the Supply

What is the life of the downtown section of the city? Those who have watched the growth of the financial and commercial sections of many of the largest of our cities have witnessed the rapid and abrupt fluctuation in land values due in part to the ever changing and shifting in the relative as well as the absolute worth either of land or the improvement. Perhaps another factor has a more potent influence on the value of the improvement than the changing value of the land itself.

The causes of the changes of land values are manifold. The realtor with vision usually senses a conjuncture which should bring about certain results. His action in a certain way helps bring about that result sooner. Specialization of districts which becomes even more distinct as the city becomes larger, has been a very important factor in the rise and decline of land value. The immense increase in motor traffic in the past few years too, has wrought several changes such as the departure of many types of business which get along as well without being downtown, thus leaving a gap in many familiar sections. A problem for many of the older buildings has been the sunlight problem. Usually the newer buildings are much higher than the surrounding old ones and obstruct the sunlight.

The type of construction of the building itself, however, is also a factor for making for longer duration in the life of a building. Conservative financing houses will not lend for more than 10 years on improvement which are not fireproof.

The life of an office or business building is difficult to reckon. We do know, however, as newer methods of building are devised, and as more up-to-date office buildings appear, the leading buildings of yesterday sink to a class below. They are forced to tenant a lower category of tenant. As one gazes over the constantly increasing number of large new office buildings, which are going up in our downtown sections, one wonders what is becoming of the older buildings. This question has frequently been asked for instance in Toronto. If one talks to the renting agent of a new office building, he bemoans the scarcity of space. As a matter of fact the new office buildings are renting well. The old ones too are also well-filled, but they sink to lower levels, attracting perhaps a new category of occupant at that lower level.

## REALTY BOND FREES INVESTOR OF WORRY

### Insurance, Taxes and Collections Are All Taken Care of by Fiscal Agents

The real estate mortgage bond may be said to be a by-product of modern city-building. From time immemorial a mortgage upon real estate — land, indestructible, and the buildings which provide one of man's most urgent necessities, shelter — has long been looked upon as the safest form of security for money. With the increasingly rapid growth of cities, the accumulating difficulties in securing adequate transportation and the consequent tendency of population to congregate in restricted areas, there came the development of ever larger and larger buildings, both for business and residential purposes. Thus it became constantly more difficult for the individual investor, even in a large way, to find properties upon which the loan requirements would be within his means, while the small investor was almost entirely shut out from this most desirable security.

Out of this situation was evolved the real estate mortgage bond. By means of it, a mortgage loan is covered by an issue of bonds signed by the mortgagor, and also by a concurrent first mortgage for the same amount, which latter is held by trustees or a trust company as collateral security to the bonds. This actually accomplishes the splitting up of an entire first mortgage into bonds of denominations and maturities convenient to all investors, without in the least impairing the nature or degree of the security afforded to the moneys invested.

Indeed, with good reason, many investors have learned to prefer the real estate mortgage bond to an entire first mortgage of suitable amount. Under conditions of to-day it is very difficult for even the most astute investor to decide, unaided, the actual, sound loan value of a city property; not without the expenditure of much time and effort in single-handed research can he satisfy himself that the character of such a loan property is so suited to its environment that there will be no undue deterioration in value during period of loan. The owner of an entire first mortgage must also make his own inspection of the property for upkeep;

(Continued on page 18)

# DEMAND FOR HIGH CLASS APARTMENTS AHEAD OF SUPPLY

## Only 5½% Vacancies Reported in Representative Toronto Apartments

A recent investigation of representative apartment houses in Toronto made by a leading real estate firm discloses vacancies of only 5½ per cent. The investigation did not cover all houses by any means, but took in tweny-five houses representing new and thoroughly modern houses, old houses and the medium class of apartments.

The growing population of Toronto and the larger Canadian cities keeps demand for residential accommodation well abreast, and sometimes in advance, of supply. At the present moment, indications are that while there is no definite shortage of accommodation, the new, high class apartments are taken up as soon as available.

This applies to many Canadian cities smaller than Toronto. After a city passes the half-million mark, transportation begins to be a serious problem, and the apartment is invariably the solution. Then there is the city the size of Hamilton or Ottawa in which a portion of the citizens prefer the apartment type of residence where fuel and similar problems are taken care of. There is always a fair proportion of more or less transient population especially from the larger cities. They have been accustomed to apartment life, and prefer to continue it. In cities such as Vancouver and Winnipeg, the apartment house has been an established fact for some years, and there are many families who prefer it because they can come and go with greater freedom, possibly, "turning the key in the door" as the expression goes, and spending the winter or the summer, as the case may be, where they like.

A further step in the same direction, which is gaining popularity in the United States and Canada, is the apartment hotel. The development of modern business and the new mode of living give rise to a larger transient population. There is a larger percentage of smaller families and there is possibly also a decline in the old-fashioned family life. A factor in this situation in so far as Canada is concerned is the gradual accumulation of larger estates. Income tax returns reveal a larger number of wealthy families in Canada each year. There is consequently more travel and a larger tendency to spend at least a part of the year abroad. All this increases the demand for high class apartments in the regular apartment houses as well as in apartment hotels.

In these respects. Toronto and the larger Canadian cities are abreast of the times. It is probable that there is as large a floating population of this nature in the larger Canadian cities as in cities of a similar size anywhere. In any event, there is a sufficiently large population of this nature to keep the demand constant for the new and modern class of residence other than the self-contained house. The wide range of temperature throughout the year is also a factor working in this direction, many objecting to the extremes of our climate and either migrating for a period of the year or living in an apartment for a period while their own homes are closed.

# SAFETY FEATURE OF REAL ESTATE BONDS

## Remarkably High Security Record Has Been Built Up in Past Decade

**G. L. MILLER. Pres. G. L. Miller & Co.**

The real estate mortgage bond is now firmly established as a standard form of safe investment. That these bonds have established a remarkable safety record cannot be denied. Statistics compiled over recent years show losses of only one three-thousandth of one per cent. (1/3000 of 1%) for the entire first mortgage bond field, and these losses did not occur to investors dealing with leading houses: but were suffered through small new companies operating in the Middle West on an unsound basis. Probably no other type of security outside of government and municipal bonds, can point to such a record of safety.

That real estate mortgage bonds have established a remarkable safety record is strikingly detailed by Frank J. Parsons, vice-president of the United States Mortgage & Trust Company, New York, in the following statement:

"Many events of national and international importance have taken place within the last fifty years. Wars have been fought: periods of depression have followed periods of inflation. There have been good crop years and bad crop years. Fires and floods have devasted great sections of some of our cities. Tornadoes have gone their mad way through sections of the West and South; tropical hurricanes have swept into the cities of the Gulf. Horses have been largely replaced by automobiles: transit facilities have been revolutionized; the structure and plan of our cities have been altered almost beyond recognition. But mortgage investments, supervised by skillful and experienced people, have withstood all of these shocks and changes, with the principal maintained intact and with a fair rate of interest received to a degree scarcely obtainable in any other class of security. We have therefore come to look upon a properly conceived and intelligently handled mortgage as one of the soundest investments imaginable."

Real estate mortgage bonds also are peculiarly adapted to the teaching of the idea of thrift and saving. The interest rate offered by these bonds ranges from 6 per cent. to 7 per cent., depending upon local and prevailing interest rates in the section of the country in which the mortgaged structure is located. Through purchase of real estate bonds, it is therefore possible to practice thrift at liberal rates of interest which give the banker who handles these bonds a distinct advantage over his competitor who can offer only the usual interest rate on savings deposits. The bonds can be bought in denominations of $100, $500 and $1,000 and thus savings accounts can be used to build up investment funds from which moderate sized amounts can be withdrawn from time to time for investment in these bonds. By holding out the advantage of investing in real estate bonds, the banker will encourage and increase savings accounts.

There are many other features in connection with real estate bonds which would appear to make them attractive to banks. Among the more important of these is the fact that real estate bonds are usually understood by a great mass of new investors created by the Liberty Loan compaigns as well as the advertising campaigns of real estate mortgage bond houses. Everyone knows what a first mortgage is. When a banker talks real estate bonds to an investor, he is speaking in terms they understand.

Life insurance companies have long realized that realty mortgages are the best and safest investments. Walter Stabler, controller of the Metropolitan Life Insurance Company, who has millions of dollars invested in real estate mortgages, in a recent statement said:

Life insurance companies generally have recognized for some years that the best investments they have, the safest they have and the most profitable they have, are those investments made on carefully selected real estate.

# NEW RESIDENCE AREAS WILL BE REGULATED

## Haphazard System of Growth of City Subdivisions to be Abandoned

Control should be exercised over the development of new residential subdivisions by the governing body, city, county or state, within whose jurisdiction the subdivision is formed; and a plan should be prepared under the direction of the local real estate board for adoption by the city or county governing body of its community so that this control may be exercised intelligently, says the National Association of Real Estate Boards of the United States.

That is the general thesis agreed upon by a special committee of the National Association of Real Estate Boards now investigating city development in outlying residential regions. The committee, which is giving special attention to the problem of control of residential development in sections outside of a city's corporate limits, is preparing suggestions for local legislation to make possible this control.

A report of the committee's findings will be made to the association at its annual convention to be held in Tulsa, Oklahoma, June 8-11. Fundamental standards of subdividing, to be applied only as local conditions permit, are now being worked out by the committee to be used as a basis for board recommendations. The standards will deal with such matters as that of depth of setbacks to be required, width of streets advisable, and kind of improvements that should be held essential.

The report will deal with adjustment of city ordinances or county laws so as to make possible an orderly and advantageous city growth.

Action which has just been taken by the city council of Omaha illustrates what cities can do to get away from the haphazard type of development which inevitably results in great economic loss to the community, according to Irenaeus Shuler, of Omaha, chairman of the association's investigating committee and a member of the Omaha city planning board. Omaha not only has accepted a "master plan" for the future growth of its metropolitan area, but also, through its city council, has just voted an increase to the budget of its city planning board in order that that board may carry out a survey of agricultural land bordering the city limits and destined some day to become additions to the city proper.

Within three miles of the city there are 35 square miles of land that will eventually be part of its residential sections, the planning board believes. Engineering surveys will be made that will show the topographical features of this land and that will be the basis for direction for future placements of drainage systems, sewage systems, streets and alleys.

# REALTY BOND FREES INVESTOR OF WORRY

(Continued from page 17)

must see that taxes are paid, insurance maintained, and collect moneys due. Where necessary, he himself must undertake foreclosure proceedings and possibly even assume possession and management of the property, to the detriment of his other interests. But where a mortgage bond issue is made, these matters are all attended to by the fiscal agents, or by the trustees or their agents. This means that the investor in a well-sponsored first mortgage real estate bond issue not only buys a first mortgage security, to the amount and for the period of time which exactly suits his requirements, but along with it he secured the sustained service of a corps of experts, long and widely experienced in just the sort of supervision his loan requires.

# *Who is to Pay the Interest?*

## Responsible Ownership is Basic in the Flotation of Real Estate Mortgage Bonds, Whether Private Funds Have Been Advanced or Not

HOW many buyers of real estate bonds know who owns the building represented by the securities they hold? Strangely enough this important question is something not disclosed, even in the prospectus of an issue. Very often when it is answered it is answered inadequately. One of the first things an investor in real estate bonds should do is to find out the owners of the building and convince himself that the ownership is responsible, even if the equity is not great. It is not so important that the owner stake a great amount of money in the building, although it is desirable. What is more important, however, is that the ownership and control should be in the hands of those capable of carrying out the terms of the agreement.

When the owners of the buildings are responsible persons, persons with means, one can rest assured that the erection of the building is the result of some thought, that it is intended to fill a need in the community and that the speculative element is not unduly great. It has been suggested that this is not always the case. The danger of "created issues" is one which investors must guard against, especially at times when money is cheap and plentiful, when issues are scarce and the absorbing capacities of the market great. The investors frequently are attracted by high interest rates or mortgage bonds, thinking all mortgage bonds are good. However, it is no uncommon thing to find the issue with a great degree of speculative risk entailed. Pity the poor investor who does not enquire whether the ownership of the building is safe and whether the intents of the owners are sincere.

In the early stages in the life of an office building, or an apartment, responsible ownership is particularly desirous. Unexpected delays in occupancy may be a source of anxiety to the holder of a security where ownership is not responsible or where interest charges are not met, allowances for depreciation not made or sinking fund requirements neglected. The bond holder is placed in a position which he does not relish, costly legal proceedings follow. The mortgage owners are forced to take over the property, and this clearly was not the original intention of the holder of the security.

What is said here is said advisedly, not with the intent of discouraging the mortgage bond as a type of security, but rather to remind the investors of one important factor in discriminating between real estate bond issues.

Constructive Pioneers

*7% return over a long period of years*

This company was the first to offer Real Estate First Mortgage Bonds on Toronto property. By specializing in such issues we have aided many important property developments during the past four years and have given investors attractive interest rates for long terms.

So popular are these bonds with prudent investors that the $510,000 7% issue which we offered on "The St. George" Apartment House was well distributed within a very short time. Other successful issues include Professional Offices Limited, "Deer Park Manor," "Two Hundred St. Clair Avenue West," Toronto, and more recently "Mountain View," Hamilton, and Canadian Rail and Harbour Terminals Limited.

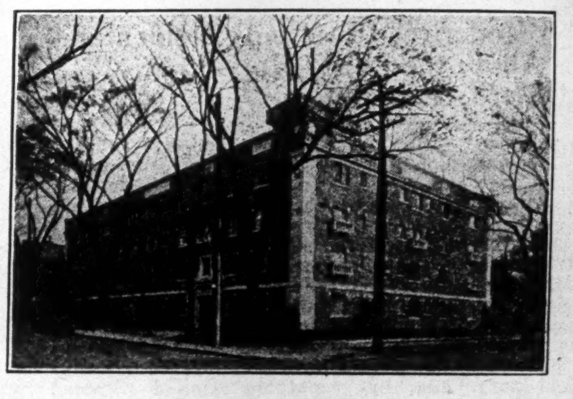
If you are interested in the purchase of Real Estate Bonds, write us. Your inquiries will receive our prompt and careful attention.

STEWART, SCULLY COMPANY LIMITED

Telephone,
ADelaide 1136

Royal Bank Bldg.,
TORONTO

*Sheldrake Apartment, Toronto, Ontario. Equipped exclusively with Murphy In-A-Dor beds.*



*This building, designed and owned by H. C. Roberts, has 67 two-room apartments with either full-size or twin-bed installation.*

Why experienced Architects, Builders, and Contractors, Specify Murphy IN-A-Dor Design and Construction

MURPHY In-A-Dor installation doubles the living accommodations of an Apartment or Home. Tenants need and occupy a less number of rooms. Saving in cost of furniture and rental increases the revenue of the owner's investment — a mutual benefit to both owner and tenant, therefore, use of the Murphy is purely an economic proposition.

MURPHY DOOR BED CO. OF CANADA
Keefer Bldg. - Montreal

VANCOUVER,
A. D. MacKay,
1090 Hamilton Street,
British Columbia.

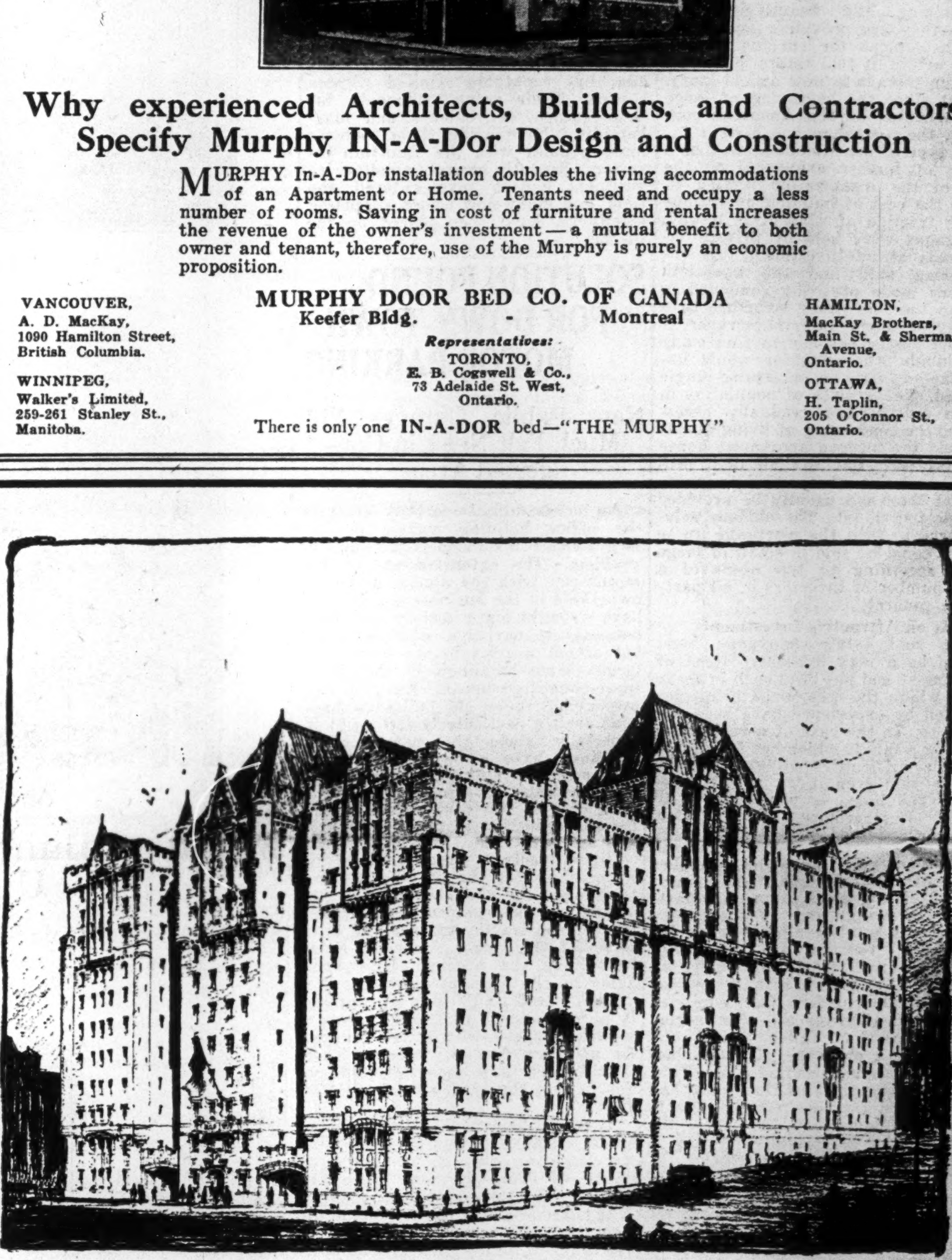
WINNIPEG,
Walker's Limited,
259-261 Stanley St.,
Manitoba.

*Representatives:*
TORONTO,
E. B. Cogswell & Co.,
73 Adelaide St. West,
Ontario.

HAMILTON,
MacKay Brothers,
Main St. & Sherman Avenue,
Ontario.

OTTAWA,
H. Taplin,
205 O'Connor St.,
Ontario.

There is only one IN-A-DOR bed—"THE MURPHY"



"The Chateau"—Corner of Sherbrooke and Mountain Streets.

Canada's Finest Apartment

What the Chicago Sunday Tribune says:—
(February 28th, 1926)

Chicago Unable to Equal "Chateau"

Unites Feudal Days and 20th Century Ideas

"Chicagoans, as they ease along the city's boulevards, whether in their own motors or on a more humble perch on the top of a bus, are wont to adopt a superior mien as they idly observe the endless lines of huge apartment buildings and hotels. But travelers returning from Montreal assert that Old Dad Dearborn, and, in fact, no other place in the world, can boast of anything in the apartment line nearly so beautiful as the Chateau apartments, completed last December in the Canadian metropolis.

And pictures and description reaching this department lend truth to their stories. The Chateau apartments form a huge bulk of a building on Sherbrooke Street West, at the corner of Mountain Street. The structure is built on three sides of a great central court which is entered from Sherbrooke St., on foot or by motor, through broad, vaulted archways.

Romance of Old France

There it stands, with the romance of old France, adapted to the ideas of modern Canada, and embodying the luxuries of the twentieth century. On the exterior are turrets and towers such as might be glimpsed along the Loire; on the interior are swiftly running elevators, mechanical refrigeration, and folding beds of the latest design.

The Chateau was built at a cost of $4,000,000, but it is stated that a far greater sum would have to be expended in Chicago for the construction of a similar structure."

MONTREAL'S newest apartment house, "The Chateau," now completed, is the most recent undertaking of the Hon. P. R. Du Tremblay, K. C., M.L.C., whose success in the construction and operation of the Drummond Apartments is an assurance of similar success with "The Chateau."

"The Chateau" is an eleven story fireproof building, containing 138 apartment suites (some of 13 rooms and 5 bathrooms). Its architecture of the style of François I is interesting and richly attractive. Thoroughly modern in every way, "The Chateau" offers every comfort and convenience which can be desired.

The location of the building is in the heart of one of the best residential sections in Montreal. Within one block of St. Catherine Street—the shopping and theatre district—near the leading hotels and railway terminals, and within reasonable distance of the principal business section of the city, "The Chateau" has already won almost complete occupancy demand.

"The Chateau"—Montreal

# Business Building Bonds

### Barrington Street

The Barrington Street Realties owns the land and a block of buildings known as the Wentzell Block, situated in the centre of the city of Halifax, N. S. This building has a total rentable area of some 40,000 square feet. At the present time the company's earnings are understood to be running at just over twice the bond interest requirements. The bonds are secured by a first mortgage on both land and buildings.

The trust deed covering the bond issue provides an interesting sinking fund arrangement whereby the Barrington Street Realties have assigned to the trustee insurance policies on four lives totalling $100,000. These policies are on the twenty-year payment plan and mature in 1935. The company has guaranteed the payment of premiums on these policies throughout their entire term. However, they may be surrendered at any time for their cash surrender value, and, in such event, the company will thereafter pay to the trustee a sinking fund of 2½ per cent. per annum of the bonds outstanding plus the interest on the bonds redeemed.

**Capitalization—**

| | Authorized | Issued |
|---|---|---|
| 7% 1st mgte. bonds.. | $200,000 | $160,000 |
| 7% cum. pref. shares. | 100,000 | 76,000 |
| Common shares ..... | 100,000 | 100,000 |

**Bond Issues—**

Seven per cent., first mortgage gold bonds. Dated July 1, 1923. Maturing July 1, 1938. Principal and interest payable in Canada. Coupon bonds in $500 and $1,000 denominations.

Sinking fund is provided by assignment of life insurance policies maturing in 1935, for $100,000. On payment of last assurance premium, or in event of policies being sold, assigned, transferred or surrendered, the company will pay to the trustee each year an amount equal to 2½ per cent. of bonds outstanding, together with 7 per cent. of bonds theretofore redeemed. First offered in September, 1923, at 100 to yield 7 per cent.

### Booth Building

The first mortgage bonds of the Booth Building change hands at well over par, and, although the earnings from the buildings are not made public, yet they are an excellent investment secured by a mortgage on the land, building and equipment of the Jackson Building and the Booth Building, both situated in the heart of the business section of Ottawa.

The Booth Buildings are not owned by a company, but are owned by C. J. Booth, of Ottawa. The payment of principal and interest of the bond issue is a personal obligation of this successful owner of business buildings, who is also a man of substantial personal worth.

**Bond Issue—**

$750,000, 6½ per cent. first (closed) mortgage sinking fund gold bonds. Dated April 1, 1922, maturing April 1, 1937. Principal and interest payable in gold coin in Canada only. Coupon bonds of $1,000 and $500 denominations.

Sinking fund April 1, 1924, to April 1, 1929, 2 per cent. per annum; April 1, 1930, to April 1, 1935, 4 per cent.; April 1, 1936, to April 1, 1937, 5 per cent.

First offered March 15, 1922, at 100, to yield 6½ per cent.

### Border Cities Company

The revenue of Border Cities Company is based on the sale of and the income from some well chosen business and residential properties in and around Windsor, Ontario. The security is based on sales already made, and is in addition to first lien on balance due, as well as on other properties owned by the company. The payments due are collected by a Trust Co. and are more than sufficient to pay interest and sinking fund charges. The prospect of greater profits being made by the company are good in view of the rapid industrial expansion of this area, especially when the new international bridge is completed.

**Capitalization—**

| | Outstanding |
|---|---|
| Common stock ............... | $904,500 |
| 7% pref. stock ............... | 904,500 |
| 7½% serial bonds ............ | 850,000 |
| 7% 1st mgte. bonds .......... | 500,000 |

**Bond Issues—**

7½ per cent. first serial bonds. Dated Sept. 1, 1921, maturing Sept. 1, 1924, to Sept. 1, 1941. Interest payable in Canada and New York. Denomination, $1,000.

First offered at par and interest in Nov., 1921.

7 per cent. first mortgage sinking fund gold bonds, maturing from 1927 to 1934.

First offered in July, 1924, at 100.

### Canada Housing Corp.

Very little activity is reported during the past year by the Canada Housing Corporation, which was organized in Toronto to build workmen's homes in the city. A bond issue of $150,000 was originally sold for the purpose of financing these buildings. Approximately 10 houses were built during the year and 20 were sold, including those which came back on the hands of the corporation. There are approximately 58 houses in the hands of the organization at the moment, and it is expected that demand will be very much keener in the course of a month or so. The company erected houses of a value from $4,500 to $5,000 and either rents or sells these to workmen.

**Capitalization—**

| | Authorized | Issued |
|---|---|---|
| 6½% mtge. bonds .. | $2,000,000 | $600,000 |
| Common stock ..... | 500,000 | 500,000 |

**Bond Issue—**

6½ per cent. mortgage gold bonds. Dated May 1, 1923, maturing May 1, 1943. Principal and interest payable in Canada only. Coupon bonds in $100, $500 and $1,000 denominations.

Sinking fund, beginning May 1, 1926, 1 per cent. of bonds issued, plus an amount equal to the interest on all bonds retired to be paid to the trustee to retire bonds of this series.

First offered in June, 1923, at 100, to yield 6½ per cent.

### Canadian Property

The $1,300,000 issue of the Canadian Property Company was taken over, and interest payments were made by Straus and Company, who were the original sponsors of the issue, which was made in connection with 21 buildings used as bank premises by the Home Bank. Investors were thus relieved of any loss or inconvenience which would have resulted from the failure of the Home Bank.

### Insurance Building

Insurance Exchange Building, Montreal, was completed in the spring of 1924. One of the peculiarities of Montreal is the fact that almost all leases expire on May 1; this, coupled with the fact that a number of other office buildings were completed at the same time, has delayed the renting of space somewhat. It is expected that by May 1 next an improvement will be experienced. The structure is Montreal's largest office building and occupies one of the most stategic positions in the heart of the financial district. Financing of the building was undertaken by S. W. Strauss and Co., who have guaranteed the bonds. Further rentals are constantly being made, and under the plan of financing, monthly payments are being made by the borrower to the trustee for the bondholders.

**Capitalization—**

6½ first mortgage bonds, $2,200,000.

**Bond Issue—**

6½ per cent. first mortgage serial coupon bond. Dated January 15, 1923. Maturing January 15, 1938. Bonds and interest coupons payable in Canada. Offered in January, 1923, at 100 to yield 6½ per cent.

### Keefer Building

The Keefer Building, in Montreal, was erected in 1924 to provide for the demand for up-to-date office space in the up-town district of the city. For a variety of reasons many engineers, manufacturers' agents, architects and other firms often prefer up-town offices. It is this need which the erection of this building has met.

At first rentals in the building were slow, but a decided improvement has taken place within the past year, and to-day 90 per cent. of its floor space is rented. Further rentals may be expected by May 1 next, at which date most of the leases in Montreal expire.

**Capitalization—**

| | Authorized | Outstanding |
|---|---|---|
| Capital stock ...... | $1,000,000 | $500,000 |
| 6½% 1st mtge. bds. | 750,000 | 750,000 |
| Second mortgage .. | 50,000 | 50,000 |

**Bond Issues—**

6½ per cent. first (closed) mortgage sinking fund gold bonds. Dated June 1, 1923, maturing June 1, 1943. Principal and interest payable in Canada and New York. Coupon bonds of $1,000 and $500 denomination.

Sinking fund of $15,000 provided during the years 1926 to 1932, and $22,500 during years 1933 to 1942 inclusive.

First offered June, 1923, at 100, to yield 6.50 per cent.

### La Patrie

La Patrie is an evening daily newspaper in the city of Montreal, and has come ahead very rapidly in the past few years; it is well established amongst the business and social leaders of Montreal.

The building is six storeys in height and located in the centre of the French-Canadian business district. About two years ago, the company, La Patrie Publishing Company, put out the present issue of bonds on its building. An appraisal of the land and building made in 1920 indicates that the combined replacement value of the assets covered by the mortgage amount of $1,026,665. The company's earnings are not made public.

**Capitalization—**

| | Authorized | Outstanding |
|---|---|---|
| 6½% 1st mtge. bonds | $500,000 | $500,000 |
| 6½% pref. shares ... | 125,000 | 100,000 |
| Common shares ...... | 500,000 | 335,050 |

**Bond Issue—**

6½ per cent. 20-year first mortgage, sinking fund gold bonds. Dated January 1, 1923, maturing January 1, 1943. (Closed). Principal and interest payable at Provincial Bank of Canada, Montreal. Denominations $1,000 and $500.

Sinking fund January 1, 1925, to January 1, 1929, 1 per cent. January 1, 1930, and annually thereafter 2 per cent. of par value of bonds issued.

First offered in August, 1923, at 97½ to yield 6¾ per cent.

### Loew's Toronto Theatres

The first real estate bond issue recorded as placed in the Canadian market was a first mortgage serial issue on Marcus Loew's Toronto Theatres Limited, sold in 1919. The bonds have been maturing annually from 1921 to 1934. The bonds in question cover the two Loew's theatres on Yonge Street, one near Queen and other near Bloor. The combined properties are stated to be worth close to $2,000,000.

**Capitalization—**

| | Authorized | Outstanding |
|---|---|---|
| Common stock ..... | $ 750,000 | $750,000 |
| 7% pref. cum. ..... | 1,000,000 | 653,900 |
| 6% Bonds ......... | 1,500,000 | 387,000 |
| 8% gold notes ...... | 400,000 | 250,000 |

**Bond Issues—**

$387,000, 6% first serial gold bonds, dated June 1, 1919, due $43,000 annually, June 1, 1926 to 1934, inclusive. Interest payable June 1 and Dec. 1, at Toronto, Montreal and New York. Denominations $100, $500 and $1,000.

First offered in June, 1919, at prices ranging from 99.537 to 97.589, yielding 6¼%.

$250,000, 8% gold notes. Dated Sept. 1, 1921, due Sept. 1, 1926. Interest payable March and Sept. 1, at Toronto, Montreal or New York. Denominations $100, $500 and $1,000.

### Metropolitan Building

The Metropolitan Building office space is now over 95 per cent. taken with leases ranging largely from one to five years. The intention of the owners of the building to adapt the building as a centre for insurance companies is being fulfilled. It is very gratifying to note how the insurance business is concentrating more and more in the neighborhood. This is a very significant trend, pointing to the localization of down-town Toronto.

Construction was financed through an offering of $1,025,000, 7 per cent. first mortgage, 20 year issue.

**Capitalization—**

7% first mortgage bonds .. $1,025,000

**Bond Issue—**

Seven per cent. 1st (closed) mortgage full sinking fund gold bonds. Dated July 15, 1924, maturing July 15, 1944. Coupon bonds in $100, $500 and $1,000 denominations.

Sinking fund to be provided sufficient to redeem the entire issue by maturity.

First offered in August, 1924 at 100 to yield 7 per cent.

### Medical Arts Building

The Medical Arts Building was erected in Montreal three years ago to provide office space and hospital accommodation for physicians, dentists, surgeons, nurses and other professionals. One of the upper floors contains a hospital. For some time after completion, it proved difficult to rent space in the building, but it has since filled up. Financing was largely taken care of by a Philadelphia house.

**Capitalization—**

| | Authorized | Outstanding |
|---|---|---|
| Common stock ....... | $600,000 | $600,000 |
| Preferred stock ..... | 400,000 | 125,000 |
| 8% mtge. bonds ..... | 550,000 | 539,000 |

**Bond Issue—**

Eight per cent. first sinking fund gold bonds. Dated May 1, 1923, maturing May 1, 1937. Principal and interest payable in Canada and United States. Sinking fund of $22,000 per anunm from April 15, 1924, and continuing to maturity.

First offered in June, 1922, at 101 and interest.

### Northern Ontario Bldg.

Although a full year has not passed since the completion of this building, to-day it is over 80 per cent rented with leases ranging from one to five years. The Northern Ontario Building is well located and is reputed to be one of the best constructed buildings in the city. The building is of solid concrete. The plan of the owners to associate it with Northern Ontario enterprises was carried out as far as possible. The location of the building is a particularly happy one especially in view of the fact that it is coming to be generally recognized that Bay Street has a bright future as a financial centre.

The face value of the structure and land is $1,400,000. The total revenue estimated on 100 per cent occupancy is about $239,000 which covers the interest charges on the first mortgage 2½ times.

**Capitalization—**

| | To be Author. | To be Outstand. |
|---|---|---|
| 6½% 1st mtge. bonds | (closed | $850,000 |
| 7% 2nd mortgage bds. | $100,000 | 50,000 |
| 6% cum. 1st pref. sh. | 450,000 | 450,000 |
| 6% cum. 2nd pref. sh. | 100,000 | 77,000 |
| Common shares ...... | 500,000 | 500,000 |

**Bond Issue—**

$850,000, 6½ per cent., first (closed) mortgage, 15-year sinking fund gold bonds, dated Oct. 1, 1924, due Oct. 1, 1939. Principal and semi-annual interest, April 1, and Oct. 1, payable at Montreal, Halifax, St. John, Toronto, Winnipeg and Vancouver, or New York. Bonds offered in October, 1924, at 98½, to yield 6.65 per cent.

Sinking fund to be paid semi-annually on April 1 and Oct. 1 each year, commencing Oct. 1, 1927, 1¼ per cent. of the largest amount of bonds issued under this mortgage.

### National Realty

National Realty Corporation is the name of a company which recently erected the St. James Apartment garage at the corner of Church and Lombard Streets, Toronto. The need for some such solution of the present parking difficulties in the congested down-town areas of the leading cities is evident. While this type of building is comparatively new in Canada, it has been successfuly operated in the United States for some years. There is every reason to believe there will be good demand for the use of the parking space. The management is experienced in this type of business.

**Bond Issue—**

$250,000, 7 per cent., first (closed) mortgage sinking fund gold bonds. Dated April 1, 1925, maturing April 1, 1945. Interest due Oct. 1 and April 1. Bonds and coupons payable in gold at Toronto, Montreal, or New York. Denominations, $1,000, $500, $100. The bonds are callable on any interest date, in whole, commencing Oct. 1, 1935, or in part for sinking fund purposes only, commencing April 1, 1928, on 60 days' notice, at 105 and interest.

First offered May, 1925, at par and interest, to yield 7 per cent.

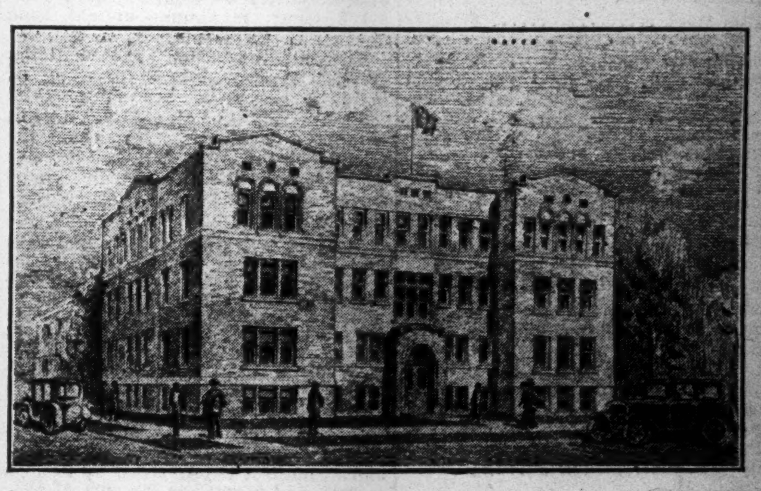
### Ogilvy Realty Corp.

The Ogilvy Realty Corporation owns the land and building occupied by the Ogilvy Department Store in Montreal. The bonds will all be retired by the maturity date.

The real estate offered as security for the mortgage has a value far in excess of the amount of the issue and could at any time be sub-divided into small retail stores which would yield a sufficient rental to meet the requirements of the bond issue.

Investors in the bonds are so well secured that the issue was sold without reference being made to the company's earnings. Departmental

(Continued on page 20)

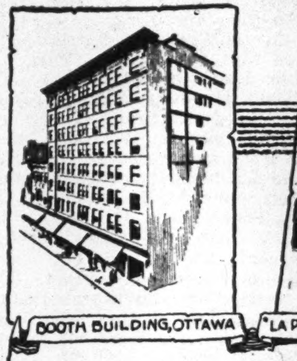


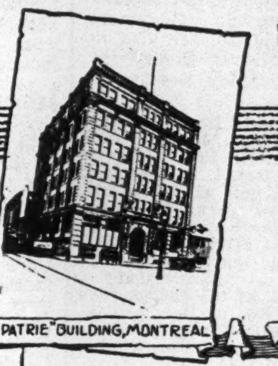
Ste. Claire Apartments
Shepherd & Pelissier Streets
Windsor, Ontario

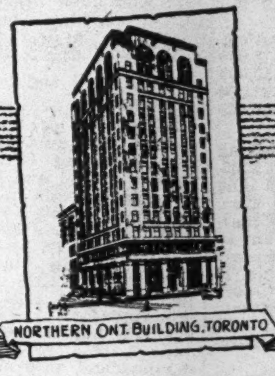
THIS building is the security for the issue of 7% United First Mortgage Real Estate Serial Gold Bonds which we are offering to the public next week.

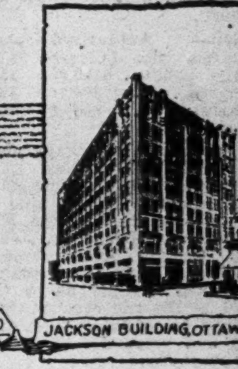
7% UNITED BONDS

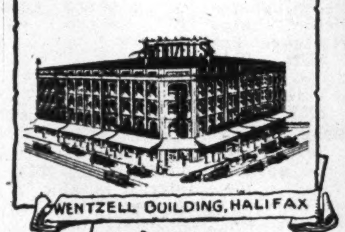
UNITED BOND COMPANY, LIMITED
HOWARD C. WADE, *President.*
WM. BROWN, *Vice-President and Manager.*
TORONTO
297 Bay Street.
WINDSOR
4 Imperial Bank Bldg.

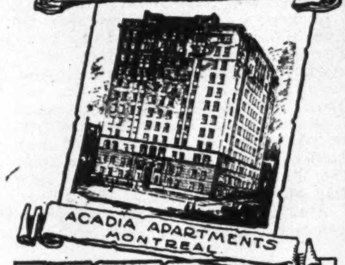


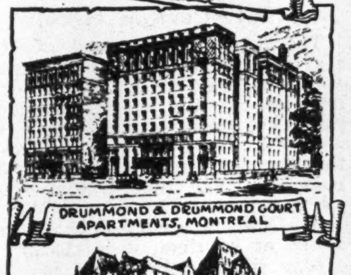


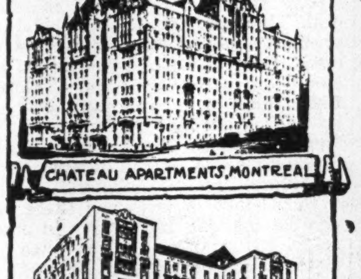


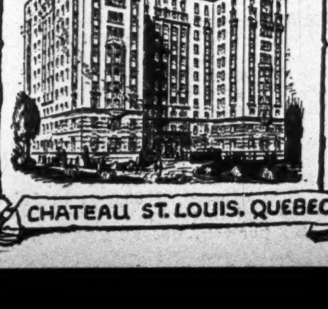







DRUMMOND & DRUMMOND COURT APARTMENTS, MONTREAL





Real Estate Mortgage Bonds

THE properties illustrated in this advertisement typify the character of the security for Real Estate First Mortgage Bond issues underwritten and sold by this Corporation.

The excellent investment record of real estate mortgages and the development of standard principles in the issuance of Real Estate Mortgage Bonds are responsible for the increasing popularity of this type of security with conservative investors.

Upon request, we shall be pleased to supply particulars of our current offerings, yielding as high as 7.15%.

*We will consider proposals to finance the construction of large residential and business buildings.*

Royal Securities Corporation
LIMITED
164 St. James Street, Montreal
Toronto Winnipeg Halifax Vancouver Saint John New York Quebec

Trustee of Bond Mortgages

Many of the requisites of a sound investment are combined in a good real estate mortgage bond—one is a Trust Company as Trustee with the necessary experience and technical knowledge to discharge the duties satisfactorily.

This Company has a well-equipped Trusts Department and wide experience in acting in this capacity.

CHARTERED TRUST
& Executor Company
46 King Street West, Toronto

*Hon. W. A. CHARLTON, President*
*JOHN J. GIBSON, Gen. Manager*
STRENGTH SERVICE SECURITY
*W. S. MORDEN, K.C., Vice-President and Manager of Trusts Department.*

# Business Building Bonds

(Continued from page 19)

stores in general have increased their earnings during the past year, and presumably Ogilvy's will also have shared in the bettered business. The Ogilvy store is the most westerly of the Montreal department stores. It has a clientele almost exclusively its own, and while its turnover is not large, its expenses are lower than those of the more centrally located shops. The bonds change hands at anywhere from 95 to 100. The store itself is at present being operated by the liquidator of the Home Bank.

**Capitalization—**

| | |
|---|---|
| Capital stock ................ | $675,000 |
| 6½ per cent. mtge. bonds ..... | 800,000 |

**Bond Issue—**

6½ per cent. first sinking fund gold bonds. Dated December 1, 1922. Maturing Dec. 1, 1952. Principal and interest payable in Canada and New York. Denominations $500 and $1,000.

Sinking fund commences in 1923, sufficient to retire the whole issue at maturity.

First offered in Nov., 1922, at 100 to yield 6½ per cent.

## Professional Offices

As in many American cities, Toronto has extended a hand of welcome to the professional office building. The building at present is being well rented. A $275,000, 7 per cent. bond issue maturing serially and running for 18 years, is outstanding. The building provides office space principally for dentists and doctors.

**Capitalization—**

| | |
|---|---|
| 7% first mortgage bonds ..... | $275,000 |

**Bond Issue—**

Seven per cent. first mortgage serial bonds. Dated July 1, 1922, maturing Jan. 1, 1925 to July 1, 1942. Principal and interest payable in Canada only. Coupon serial bonds of $1,000 and $500 denominations. First offered in July, 1922, at 100 to yield 7 per cent.

## Sherbrooke Street Realty

At the present time, the Sherbrooke Street Realty Corporation is more than earning its bond interest. More and more surgeons are taking advantage of the opportunity of renting office space in a building which is practically entirely devoted to, and has been erected for the use of, medical men.

The company owns the Medical Arts building which contains 235 offices, laboratories and other rooms completely equipped according to the latest practice in buildings of this type. The land, building and equipment have been valued at $1,154,000.

Two floors are designed for use as a private hospital and are occupied as such. The Medical Arts building was completed in 1923 with the idea of housing medical specialists in one building. The reputation which it has already gained should ensure almost complete occupancy during the present year. Leases in Montreal are all dated from May 1, and by that date the company's percentage of occupancy will undoubtedly show a decided increase.

| Capitalization— | Authorized | Outst'd'g |
|---|---|---|
| 6½% 1st mtge. bds. | (Closed) | $675,000 |
| 8% 2nd mtge. bonds.. | $150,000 | 150,000 |
| 8% pref. shares ...... | 400,000 | 363,500 |
| Common shares ...... | 600,000 | 600,000 |

**Bond Issues—**

6½ per cent. first mortgage sinking fund gold bonds. Dated Nov. 1, 1925, maturing Nov. 1, 1940. Principal and semi-annual interest (May 1 and Nov. 1) payable in Montreal, Toronto, Winnipeg, Vancouver, Halifax, St. John or New York. Coupon bonds, denominations $1,000 and $500. Redeemable at 105 and accrued interest on or before Nov. 1, 1930, at 103 and accrued interest thereafter and on or before Nov. 1, 1935, and at 101 and accrued interest thereafter until maturity.

First offered Nov., 1925, at 99, to yield over 6.60 per cent.

$150,000, 8 per cent. second mortgage income bonds, due 1938.

## Stanley Realty Corp.

The Stanley Realty Corporation, owners of Dominion Square Parking Garage, made a $400,000, 7 per cent., sinking fund bond issue, which constitutes a first charge on the property and assets of the company. This garage has a parking capacity of 600 cars, is of concrete construction, is fireproof in every respect, and is constructed on the McBride incline floor plan.

The garage is meeting with considerable success and is filling long-felt need in Montreal, since there has been a lack of accommodation for privately owned cars. The tourist traffic, too, is a very significant one in Montreal. The appraisal value of garage and land is $670,000, the estimated net earnings are $116,284 or over four times the annual interest charges.

**Bond Issue—**

$400,000, 7% first mortgage sinking fund gold bonds. Dated Sept. 1, 1925, maturing Sept. 1, 1945. Interest payable March 1 and Sept. 1. Principal and interest payable in gold coin at Montreal, Toronto, or at New York.

Redemption: Bonds may be called for sinking fund purposes as follows: 1930 to 1934, inclusive, at 105 and accrued interest; 1935 to 1939 at 103½; after 1939, at 102 and accrued interest. Denominations, $1,000, $500. Sinking fund: The trust deed provides for payment to the trustee of a sinking fund of $12,000 per annum, the first annual payment being completed by the 1st of September, 1929, plus interest on bonds previously redeemed.

First offered Sept., 1925, at par and accrued interest.

## The National Building

Although the construction of the National Building will not be completed until after May 1st, it is today over 65 per cent. rented. Canadian National Telegraph will tenant almost half the entire building, having taken a 20-year lease. The National Building is a 12 story, fireproof structure of reinforced concrete, stone, and brick construction, with 51,920 square feet of rentable office space, and 4,639 square feet of store space on the ground floor. Its location is considered as one of the best in the city, being in the very heart of what is coming to be the financial section of the city.

The $400,000 bond issue is a 7% first closed mortgage leasehold sinking fund gold bond, maturing 1940. Conservative estimates of land and building place their value at $870,000, so that the first mortgage bond is equal to approximately 46 per cent. of appraised value of land and building.

Annual net earnings available for bond interest have been estimated at approximately $95,000, or more than 3-1/3 times maximum annual bond interest requirements.

The land on which the building stands has been leased for a period of 21 years from August 1, 1924, for a flat rental of only $8,672 a year, without a revaluation throughout the term, which extends almost five years beyond the life of the bond issue.

**Bond Issue—**

$400,000, 7%, first (closed) mortgage leasehold sinking fund gold bonds. Dated Sept. 1, 1925, maturing Sept. 1, 1940. Coupon bonds in denominations of $1,000, $500 and $100, registerable as to principal only. Principal and semi-annual interest (March 1 and Sept. 1) payable in Toronto or United States. Collectable as a whole or in part by lot on any interest paying date on 60 days' notice at 103 and accrued interest.

Sinking fund. The issue provides for regular monthly payments of 1/12 of annual interest requirements up to Sept. 1, 1928, and thereafter the sum of $40,000 annually, interest to be paid from this fund and the balance used as a sinking fund to be applied to the purchase of bonds at not exceeding the call price or for the redemption of bonds by call, by lot. First offered Oct., 1925, at 100 and interest, to yield 7%.

## York-Adelaide Realty

The York-Adelaide Realty Co., organized to operate the York Parking Garage, have placed a $400,000, 20-year, 7 per cent., first mortgage gold bonds on the market, which constitutes a first mortgage and charge on the property. The building, a four-story and basement parking garage, designed on the inclined floor plan, is being constructed of reinforced concrete with brick and stone trimmings and will have a capacity for 500 cars.

The land on which the garage is being built cost $280,000, while the building will cost $370,000, or a total cost of $650,000.

The location of the building appears to be a very good one, being close to and in the neighborhood of what is coming to be the hub of the financial section of the city.

A second mortgage of $250,000 is held largely by the owners as payment for land, while balance has also been underwritten.

The York-Adelaide Realty Co. was organized and their issues were underwritten by W. A. McKenzie & Co., who have taken a great interest in the parking garage movement. The W. A. McKenzie Co. are also interested in the National Realty Co., Toronto, and the Stanley Realty Co., Montreal.

$400,000, 7 per cent. first mortgage sinking fund gold bonds. Dated Dec. 1, 1925, maturing Dec. 1, 1945. Interest payable June 1 and Dec. 1. Interest and principal payable in gold at Toronto or Montreal, or at New York. The bond issue as a whole may be called on any interest date on and after Dec. 1, 1935, or for sinking fund purposes on and after June 1, 1929, as follows: June 1, 1929, to Dec. 1, 1933, at 105 and accrued interest; June 1, 1934, to Dec. 1, 1938, at 103½ and interest; June 1, 1939, to June 1, 1945, at 102 and interest. Denominations, $500 and $1,000.

The issue provides for a sinking fund at $12,000 per annum plus the interest on cancelled bonds, such fund to commence Dec. 1, 1928.

First offered Nov., 1925, at par and accrued interest.

## York Street Building

The York Street Buildings, Ltd., acquired from the trustees of the Baldwin Estate, a lease for 966 years on the land on the south-east corner of Adelaide and York Streets, and issued last April $160,000 first mortgage leasehold 6½ per cent. sinking fund bond issue. The bonds are secured by a first mortgage on two buildings.

The buildings are devoted largely for the purposes of light manufacturing, and have rented on a very satisfactory basis. The present "Adelaide Building" has been appraised at $145,547. The cost of the new building, recently constructed, is estimated at $160,000, making a total valuation of the "Adelaide" and the new building of $305,547, against which there is a closed mortgage of $160,000, or 52 per cent. of the valuation. Although the lease on this land has a very substantial value, no value has been included.

With the financial and industrial development moving westward, many improvements are anticipated in the neighborhood of York St.

| Capitalization— | Authorized | Outst'd'g |
|---|---|---|
| 6½% 1st mtge. bonds | $160,000 | $160,000 |
| Common shares ...... | 160,000 | 160,000 |

**Bond Issue—**

$160,000, 6½ per cent. first (closed) mortgage leasehold sinking fund gold bonds. Dated April 1, 1925, maturing April 1, 1940. Principal and interest (April 1 and Oct. 1) payable at Toronto or Montreal, at the holder's option. Coupon bonds, denominations of $100, $500 and $1,000, registerable as to principal. Redeemable as a whole or in part at the company's option on any interest date, on 30 days' notice, at 103 and interest up to April 1, 1930; at 102½ and interest from April 1, 1930, to April 1, 1935; at 102 and interest thereafter to date of maturity.

Sinking fund: The issue provides that the company will pay to the trustee on April, 1927, and annually thereafter, the sum of $5,000 plus interest on bond previously redeemed, which money is to be used for the redemption of bonds of this issue.

First offered April, 1925, at 98½, yielding over 6.65 per cent.

# Issues on Hotels

## Admiral Beatty Hotel

The first mortgage bonds of the Admiral Beatty Hotel Company of Saint John, N. B., were offered to the public considerably over a year ago. This hotel was erected by the United Hotels Company and the sale of the debenture stock put a good equity into the first mortgage bonds and added to their strength. The bond issue was sold partly in Canada and partly in the States.

The hotel has rooms for 184 guests and began operation last October. The need of a modern hotel in New Brunswick had long been recognized and consequently, since the completion of the present structure, it is understood that even in the first few months of operation, bond interest has been earned between two and three times over.

The hotel occupies an excellent site in the city of Saint John, and its bonds at present are selling around 96.

**Capitalization—**

First mortgage bonds, $600,000.

Seven per cent. convertible debentures, convertible into preferred shares on July 1, 1925, sold with a bonus of common stock, $600,000.

Common stock, $600,000.

**Bond Issue—**

Seven per cent. first mortgage twenty-year sinking fund gold bonds, dated Sept. 1, 1924, and maturing Sept. 1, 1944. Payable in U.S.A. and Canada. First offered in October, 1924, at 100½ to yield 6.95 per cent., $600,000.

## Carleton House

An issue of 6½ per cent. first mortgage bonds was made in 1922 on the Carleton House, Argyle and Prince Streets, and the annex on Argyle Street, Halifax. The hotel is fully modern, having 85 sleeping rooms, twenty of which are fitted with private baths. The property valuation based on the estimates of two competent real estate valuators is $158,000. The bond issue amounts to only 50 per cent. of the appraised value of the property. Principal and interest are payable at the Eastern Trust Company, Halifax, or at any branch of the Canadian Bank of Commerce in the Maritime Provinces.

**Bond Issue—**

$79,000, 6½ per cent. first (closed) mortgage sinking fund gold bonds. Dated April 1, 1922, maturing April 1, 1947. Principal and interest payable in the Maritime Provinces. Interest payable April 1 and Oct. 1. Coupon bonds of $1,000, $500 denominations, with privilege of registration as to principal. Redeemable as a whole or in part prior to maturity at 105 and accrued interest.

A 2 per cent. sinking fund yearly will provide for redemption of a large portion of the bonds at maturity.

Bonds offered at $100 and accrued interest, yielding 6½ per cent.

## King Edward Hotel

Toronto is becoming a popular convention city and the King Edward is getting a good share of this type of business. The lack of hotel accommodation in a city the size of Toronto puts the King Edward in a more favorable position. It will be recalled that the King Edward made a public issue of $1,000,000 of a $3,500,000 issue of first refunding, sinking fund mortgage 7 per cent. gold bonds, series "A." The balance of the issue was reserved for refunding the $2,500,000 mortgage held by the Metropolitan Life Insurance Company. There were two other bond issues, a first mortgage $800,000, 5 per cent., and a $700,000 second mortgage 7 per cent. issue. These were retired by the present issue.

| Capitalization— | Authorized | Issued |
|---|---|---|
| Capital stock ..... | $1,000,000 | $1,000,000 |
| 7% refund. bonds. | 3,500,000 | 1,000,000 |
| Deben. shares "A" | 2,500,000 | 2,500,000 |
| Deben. shares "B" | 850,000 | 850,000 |
| Mortgage held by Metropolitan Life Ins. Co. of New York, due 1925-1938 ............ | 2,500,000 | 2,500,000 |

**Bond Issue—**

Seven per cent., refunding sinking fund gold, dated March 1, 1924, due March 1, 1944. Interest payable in gold on March 1, and Sept. 1, at Toronto, Montreal and New York.

Secured by a direct lien upon the entire fixed assets owned by the King Edward Hotel Co., subject only to a mortgage of $2,500,000 held by the Metropolitan Life Insurance Co. of New York. $1,000,000 has been issued and the remaining $2,500,000 can only be issued to refund the $2,500,000 mortgage held by the Metropolitan Life Insurance Co. This issue is also secured by a first lien on the furniture of the hotel.

Sinking fund, two per cent. per annum commencing Mar. 1, 1929.

## Ritz-Carlton Hotel

The Ritz Carlton Hotel of Montreal issues no financial statements, and it is therefore impossible for the investor in its bonds to ascertain just what financial results are being obtained. However, it is understood that for the fiscal year ending February 28, 1926, the earnings showed an improvement.

The hotel is undoubtedly somewhat ahead of its time; it is backed by strong financial interests in Montreal. The company pays its dividends regularly on the first mortgage bond issue, but the second mortgage issue has been in arrears since October, 1924. This issue was put out to pay up the arrears of interest on the first mortgage bonds and also to liquidate some of the company's current liabilities.

Few bonds of either of these issues change hands; naturally, in such a restricted market, prices are low. Both issues are closely held.

| Capitalization— | Authorized | Outst'd'g |
|---|---|---|
| Common stock .... | $1,000,000 | $1,000,000 |
| 7% cum. part. pref. | 1,000,000 | 1,000,000 |
| 5% 1st gold bonds | 1,000,000 | 647,500 |
| 6% 2nd gold bonds | 900,000 | 852,875 |

**Bond Issues—**

Five per cent. first gold bonds. Dated June 1, 1912, maturing June 1, 1942. Principal and interest payable in Canada and London. Coupon $1,000.

First offered ($500,000) in July, 1912, at 95 and interest.

Six per cent. second gold bonds. Dated Jan 1, 1920, maturing Oct. 1, 1943. Interest payable in Canada only. Originally dated Oct. 1, 1913, to mature Oct. 1, 1923, but extended in Jan., 1920, to Oct. 1, 1943.

## Prince Edward Hotel

Catering to a large and rapidly developing community, the Prince Edward Hotel, in Windsor, Ontario, promises to be patronized to an increasing extent as it becomes better known. The proximity to the large hotels of Detroit was more or less of a handicap when the hotel was new, but prospects are now better. Business is still more or less seasonal.

| Capitalization— | Authorized | Issued |
|---|---|---|
| First mtge. bonds.... | $850,000 | $850,000 |
| 7% pref. stock ...... | 1,250,000 | 850,000 |
| Common stock ...... | 1,250,000 | 850,000 |

**Bond Issue—**

7½ per cent. first mortgage serial gold bonds. Dated Sept. 1, 1921, maturing Sept., 1924 to 1941. Principal and interest payable in Canada and New York. Denomination $1,000. The terms of the trust deed securing bond issue provide for the retirement of 40 per cent. of the bonds between 1924 and 1940 the balance of $500,000 remaining in 1941 to be paid at maturity. First offered in Sept., 1921, at 100 to yield 7½ per cent.

## Windsor Hotel

The affiliation of the Windsor Hotel with the Dupont-Boomer chain of hotels in the United States has provided the company with a connection in the United States which has had a decided effect in increasing the number of guests which have been entertained. Some years ago, the company was acquired by the Donat Raymond interests; since then the building has been remodelled and the staffs re-organized—the achievements of the management have been recognized and the hotel is gaining more and more in public esteem.

The company does not publish its earnings but there is no doubt that these have proven quite satisfactory, and the bonds now change hands at around 105. It is understood that in addition to filling the requirements of the sinking fund, the Windsor Hotel is very frequently in the market for its own bonds.

The hotel has built up a good reputation of many years' standing, and occupies possibly the best position in the city of Montreal.

| Capitalization— | Authorized | Issued |
|---|---|---|
| 6½% first (closed) Mtge. bonds .... | $2,500,000 | $2,500,000 |
| Common stock .... | 3,000,000 | 2,500,000 |

**Bond Issue—**

6½ per cent. first mortgage sinking fund, 20-year gold bonds. Dated Jan. 1, 1923. Maturing January 1, 1943. Principal and interest payable in Canada only. Coupon bonds in $1,000, $500 and $100 denominations.

Sinking fund commencing January 1, 1926, 2 per cent. per annum.

First offered in January, 1923, at 100 to yield 6.50 per cent. Present price around 104.

To the man who buys Real Estate Mortgages

First Mortgage Real Estate bonds on centrally located property in districts of assured permanence, which are backed by a large margin of equity over and above the amount of bonds issued, provide the security of the old-fashioned mortgage, plus the advantages and conveniences of a bond investment.

The personal supervision often necessary with the old-time mortgage is eliminated.

Interest is collected simply and promptly by the deposit of coupons in your bank, and markets are available for the securities.

Greenshields & Co.
Montreal: 17 St. John Street,
also Mount Royal Hotel Building
TORONTO
14 King Street East
OTTAWA
46 Elgin Street
QUEBEC
80 St. Peter Street

High Grade Real Estate Bonds

We specialize in the above class of Bonds, secured by First Mortgages on improved real estate in the larger cities of Canada.

*Write for our latest list of offerings yielding from 6½% to 7%*

DICKSON, JOLLIFFE & Company
INVESTMENT SECURITIES
302 Bay St. Toronto
Phone ELgin 4480

THE NATIONAL BUILDING
Bay & Temperance Sts.
Toronto
Over 65% already rented

We recommend the new National Building now nearing completion to concerns who want bright offices in an unusually good location in the very hub of Toronto, at the corner of Bay and Temperance Streets.

Seven of the entire floors have been leased, also smaller units and stores were leased from plans to prominent tenants.

The tenancy of the Canadian National Telegraphs in this building ensures unusual desirability and prestige.

Any arrangement of space is available on five floors with occupancy May 1st. Designed for business men of standing this building offers advantages and value meriting your immediate attention.

Robins Limited
Kent Building
Yonge and Richmond Sts.
Telephone Ad. 3201

An attractive Investment well protected—

THE 15 YEAR FIRST MORTGAGE 6½% BONDS of Quebec Apartments, Limited, are a first charge on buildings, land and net earnings of the Chateau St. Louis, an ultra-modern apartment building now being erected in Quebec City.

The value of the property, and its undoubted earning power, coupled with its administration by an unusually strong directorate, ensures thorough protection to investors. Estimated net earnings are almost double the interest requirements on these bonds.

*Full information on request.*

ERNEST SAVARD LIMITÈE
171 St. James St., Montreal
71 St. Peter St., Quebec

The ST. GEORGE
MARANI & PAISLEY—ARCHITECTS

Bloor-St. George Realty Limited
First Mortgage Security

*7% for 20 Years*

In Toronto nearly all the best apartment houses are completely filled. To satisfy the urgent demand for high-class accommodation, "The St. George" will be erected at Bloor and St. George Streets—the centre of a select residential district. This splendid apartment house, containing 79 suites, will be thoroughly modern in appearance and in interior appointments.

The 7% first (closed) Mortgage bonds, which we now offer, represent only 59% of the property valuation. This is an attractive investment, with a liberal interest return for 20 years.

100 and accrued interest, to yield 7%

*Write for Prospectus*

GAIRDNER & CO., LIMITED
312 Bay Street, Toronto

# Apartment House Issues

## Acadia Apartments

Bonds of the Acadia Apartments were first issued in the summer of 1924. The building was completed and ready for occupancy by May 1, 1925; since that date the company has leased about two-thirds of its floor space. As leases expire in Montreal on May 1, it can be anticipated that within the next few weeks the company will obtain a decided increase in its percentage of rentals. The apartment house contains 57 suites; it is excellently located and provides many special and attractive services to its occupants.

*Incidentally*, the bond interest requirements during the present year of operation have been guaranteed by Honorable N. Curry, who controls the capital stock. A conservative commercial valuation of the land and building indicates a total replacement value of $1,350,000. During the year beginning May 1, 1926, and allowing for vacancies of 10 per cent. of the floor space, the net earnings should amount to at least twice the bond interest requirements.

There are only ten apartments unrented at the present time and it is anticipated that by May 1, the Acadia will be completely occupied.

**Capitalization—**

| | Authorized | To be Issued |
|---|---|---|
| 6½% 1st mtge. bonds | (closed | $850,000 |
| 7% gen. mtge. bonds . | 200,000 | 100,000 |
| 7% preferred shares.. | 400,000 | 400,000 |
| Common shares ...... | 200,000 | 200,000 |

**Bond Issue—**

6½ per cent. 1st (closed) mortgage 15-year sinking fund gold bonds. Dated Sept. 1, 1924, maturing Sept. 1, 1939. Principal and interest payable in Canada only. Denominations $1,000 and $500.

Sinking fund, semi-annual payments of $12,750, commencing March 1, 1928.

First offered in August, 1924, at 98½ to *yield* 6.65 per cent.

## Alexandra Apartments

The Alexandra Palace Apartment situated on University Ave., Toronto, is one of the oldest high-grade apartments in Toronto, and one of the largest apartment-hotels in Canada. During the year it has been sold to a new group comprising American and Canadian capital, headed by Harry S. Gooderham. The apartment has had a net annual earning the last four years of $39,000, and it is understood that the expenditure of $60,000 by the new owners will greatly increase this earning power. The real estate on which the building stands and that directly back of it, is also owned by the Alexandra Apartment Limited, and on which there are two houses used as annexes. They are valued by the Chartered Trusts and Executors Co., at $117,200. The apartment itself is valued at $380,000. The total assets are valued at $600,000 The apartment has a large number of private suites and individual rooms which are occupied by permanent guests.

**Capitalization—**

| | Authorized | Outstanding |
|---|---|---|
| 1½% 1st mtge. bonds. | $350,000 | $350,000 |
| 7% 2nd mtge. bonds.. | 50,000 | 50,000 |
| Capital stock ........ | 350,000 | 350,000 |

**Bond Issues—**

$350,000, 6½% first (closed) mortgage sinking fund gold bonds. Dated May 15, 1925, maturing May 15, 1940. Principal and half-yearly interest (May 15 and Nov. 15), payable in gold at Toronto, Montreal, Ottawa, Hamilton, or London, Ont. Coupon bonds in denominations of $1,000 and $500 with privilege of registration of principal only. Redeemable in whole or in part on any interest date on 30 days' notice at 105 and interest for the first year, and thereafter at a price lower by ¼ of 1% for each year, but in no case at a lower price than 102 and interest.

Sinking fund. The issue provides for a sinking fund accruing from May 15, 1926, of $9,500 per year together with interest on bonds purchased for sinking fund purposes. First offered May, 1925, at 100, yielding 6½%.

$50,000, 7% second mortgage bonds.

## Bloor-St. George Apartments

The apartment house to be built at the corner of St. George and Bloor Sts. Toronto, is situated in a central district, on a main car line, as well as a main bus line. The apartment will be owned by the Bloor-St. George Realty Limited, of which Wm. B. McPherson is president. It is understood that operations on this new property will commence in April.

**Capitalization—**

| | Authorized | Outstanding |
|---|---|---|
| 7% 1st mtge. bonds.. | $510,000 | $510,000 |
| 6½% 2nd mtge. bonds | 100,000 | 100,000 |
| 7% pref. shares ...... | 200,000 | 74,000 |
| Common (no par value) ........ | 15,000 shs. | 10,000 shs. |

**Bond Issues—**

$510,000, 7% first (closed) mortgage sinking fund gold bonds. Dated Feb. 15, 1926, maturing Feb. 15, 1946. Principal and semi-annual interest (Feb. and Aug. 15) payable in Canadian gold coin at Toronto, Montreal, Ottawa, Hamilton and London, Ont., at the holder's option. Denominations, $1,000, $500 and $100, with privilege of registration as to principal. Redeemable in whole or in part on any interest date on 30 days' notice at 105 and interest up to Feb. 15, 1931, and thereafter at a price reduced by half of 1% for each year but in no case lower than 101 and interest.

Sinking fund, $10,200 annually plus interest on redeemed bonds, will be sufficient at 100 and interest to reduce the first mortgage by maturity to $145,000.

First offered Feb., 1926, at 100 and interest, to yield 7%.

$100,000, 6½%, second mortgage bonds due Feb. 15, 1941.

## Chomedy Apartments

The bonds of the Chomedy Apartments were issued within recent months and, unlike most real estate mortgage bonds, were placed upon a building in which no vacancies have occurred for several years. The valuation of the land and buildings as appraised by valuators amounts to $586,098. There are no vacancies in the building at the present time, and the actual revenues which have been received by the Chomedy Apartments over the past few years indicate an annual net revenue available for bond interests of $34,519 as against maximum annual bond interests of $21,425. The building occupies an excellent location in the city of Montreal.

**Bond Issue—**

$325,000, 6½%, first closed mortgage, sinking fund gold bonds. Dated Jan. 1, 1926, maturing Jan. 1, 1941. Interest payable half-yearly, Jan. 1 and July 1. Interest and principal payable Toronto, Montreal and New York. First offered in January, 1926, at 99, to yield 6.60 per cent.

## Deer Park Manor

The Deer Park Manor is a high class apartment house now in course of construction at the corner of St. Clair Avenue West and Deer Park Crescent, Toronto. A real estate mortgage bond issue of $150,000 was sold on this building recently by Stewart, Scully and Co. The land on which the building is being erected was valued by the Chartered Trust Company at $31,500 and the value of the building was estimated at $225,000, making a total a $256,500.

**Bond Issue—**

$150,000, 7 per cent., first mortgage, sinking fund gold bonds. Dated Dec. 1, 1925, maturing Dec., 1940. Principal and interest (June 1 and Dec. 1) payable in Toronto. Coupon bonds, denominations $1,000, $500, $100, with privilege of registration as to principal. Redeemable before maturity as a whole or in part, at the company's option, on any interest date on 30 days' notice, at 103 and accrued interest to Dec. 1, 1933; at 101½ and interest thereafter.

Sinking fund. The issue provides that monthly payments shall be made sufficient to meet in advance the taxes and interest and the sinking fund of $4,000 yearly, plus interest on redeemed bonds.

First offered Jan., 1926, at 100 and accrued interest, to yield 7 per cent.

## Devonshire Apartments

The Devonshire Apartment house is a seven story structure, situated one block from the business centre of Vancouver and since its completion has been one of the successful properties of the city. It was financed by the flotation of a real estate bond issue—the first on the Pacific Coast. The issue amounted to $450,000 and is secured by the site and the building. The bonds are of serial maturities, running from 1926 to 1937 and are callable at 105.

**Capitalization—**

6½% first mtge. bonds ...... $450,000

**Bond Issue—**

6½ per cent. first mortgage serial coupon bonds. Dated Oct. 1, 1923, maturing Oct. 1, 1926, to Oct. 1, 1937. Bonds and coupons payable in Canada and United States. Denominations of $1,000 and $500 bonds in all maturities; $100 bonds in last maturity only. First offered in November, 1923.

## Drummond Apartments

The first mortgage bonds of the Drummond Investment Company are selling at the present time around par. The company owns and operates two of the larger apartment buildings in Montreal. The properties adjoin one another and are situated in an excellent residential section of the city. Both are practically fully occupied and earnings for 1925 amounted to $353,704. The net earnings totalled $212,645 as compared with first mortgage bond interest amounting to $127,811. During the past year the company redeemed over $50,000 of its first mortgage bonds through the operation of the sinking fund.

The land and buildings representing the fixed assets are valued at just under $4,000,000 as against first mortgage bonds presently outstanding of $1,949,500.

**Capitalization—**

| | |
|---|---|
| 6½% 1st mtge. bonds ....... | $2,000,000 |
| 7% general mtge. bonds ... | 650,000 |
| Common shares ............. | 1,700,000 |

**Bond Issues—**

6½ per cent. first mortgage sinking fund bonds. Dated June 1, 1924. Maturing May 1, 1938. Principal and interest payable in Canada only. Coupon bonds in $500 and $1,000 denominations.

Sinking fund of $50,000 per annum from May 1, 1925, to May 1, 1927, and $60,000 per annum from May 1, 1928, to May 1, 1937, will provide for redemption of $714,000 by maturity.

First offered in April, 1923, at 99 to yield 6.60 per cent. Present price to investors around 99 to 100.

Seven per cent. general mortgage sinking fund gold bonds. Dated June 1, 1924. Maturing May 1, 1938. Payable in Canada. Coupon bonds in $500 and $1,000 denominations.

Sinking fund of $10,000 per annum commencing May 1, 1925, will provide for redemption of $255,000 by maturity.

First offered in May, 1924, at 98½ to yield 7.15 per cent. Present price to investors the same.

## Mountainview Apartments

Mountainview Apartments, Ltd., have recently begun the construction of a high class modern apartment building in what is considered the best residential section of Hamilton. As the city is just beginning to take to the apartment idea in a large way, it is expected that there will be a good demand for apartments. The project has been financed by the flotation of $300,000 of 7 per cent. first mortgage sinking fund bonds. The capitalization of the company also includes $200,000 7 per cent. second mortgage bonds, $60,000 7 per cent. preferred stock and $40,000 common shares with par value of 100. All the common stock is owned by R. W. C. Godson and family, which represents their equity and according to independent valuation the total value of land and building when completed will be $586,200, the first mortgage representing 51 per cent. of the total value.

**Capitalization—**

| | Authorized | Outst'd'g |
|---|---|---|
| 7% 1st mtge. bonds.. | $300,000 | $300,000 |
| 7% gen. mtge. ........ | 200,000 | 200,000 |
| 7% pref. stock ...... | 60,000 | 60,000 |
| Common stock ....... | 40,000 | 40,000 |

**Bond Issues—**

$300,000, 7 per cent. first mortgage (closed) sinking fund gold bonds. Dated Feb. 1, 1926, maturing Feb. 1, 1946. Principal and semi-annual interest (Feb. 1 and Aug. 1) payable at Toronto and Hamilton. Coupon bonds, denominations $1,000, $500, $100, with privilege of registration as to principal. Redeemable as a whole or in part, at the company's option on any interest date on 30 days' notice at 103, and accrued interest to Feb. 1, 1934; at 102 thereafter to Feb. 1, 1941, and at 101, until maturity.

Sinking fund, $500 monthly commencing July 15, 1927, plus interest on redeemed bonds, sufficient to reduce first mortgage by approximately $225,000 on maturity.

First offered Feb., 1926, at 100 and accrued interest to yield 7 per cent.

$200,000, 7 per cent. general mortgage bonds.

## Ellis Park Apartments

The Ellis Park Court Apartments have one of the finest situations in Toronto, being located on Bloor St., West, overlooking High Park, and affording an admirable view over the west end of the city and the waterfront. The apartment is thoroughly modern in every respect and the company has had excellent success in renting the apartments. The house filled up soon after it was ready for occupancy and it is practically 100 per cent. rented at the present time.

**Bond Issue—**

$275,000, 7 per cent. first mortgage (closed) sinking fund gold bonds, dated Feb. 1, 1925, due Feb. 1, 1945.

Sinking fund, semi-annual fund of $3,000 plus interest on bonds redeemed, commencing Feb. 1, 1926, payable August 1, and February 1, thereafter.

## Kensington Manor Apartments

The large and growing residential area in the Border Cities makes it an attractive centre for new and modern apartments. Residence accommodation is continually being pressed. The Kensington, of Windsor, on which an issue of $95,000 was sold last year was sold last August for $220,000. When the bonds were sold the property was appraised at $199,000, which is evidence of the conservative policy followed in appraising these properties. The bonds are first mortgage, seven per cents.

**Bond Issue—**

$95,000, 7 per cent., first mortgage real estate serial gold bonds. Dated Oct. 20, 1924. Interest payable semi-annually April 20 and Oct. 20, at Toronto or New York. Normal 4 per cent. income tax on interest returns refunded to the bondholder. Matures 2, 3, 4, 5, 6 and 7 years. Denominations, $100, $250, $500 and $1,000.

Bonds offered at par and accrued interest.

## Montreal Apartments

The Montreal Apartments owns and overates "the Chateau," which was completed and ready for occupancy on November 1, 1925. This building contains some 918 rooms and is divided into approximately 138 apartments. It is situated in one of the best apartment house situations in Montreal, and leases have already been signed for about 90 per cent. of its capacity.

In the city of Montreal, leases all date from May 1, hence some of the apartments will not actually be occupied until that date. The commercial valuation of the land and buildings and equipment of the apartment buildings amounts to $3,250,000. Estimated earnings, allowing for 10 per cent. vacancies, should amount to considerably in excess of twice the bond interest requirements. All but nine apartments of the Chateau have been leased.

**Capitalization—**

| | Authorized | Outst'd'g |
|---|---|---|
| 6½% 1st mtge. bonds | Closed | $1,875,000 |
| 6% 2nd mtge. ....... | $350,000 | 350,000 |
| Common shares .. (No par value). | 15,000 shs. | 15,000 shs. |

**Bond Issues—**

6½ per cent. 1st mortgage sinking fund gold bonds. Dated Jan. 1, 1925, maturing Jan. 1, 1940. Interest payable Jan. and July 1. Principal and interest payable at Montreal, Toronto, Winnipeg, Vancouver, Halifax, St. John or New York. Denominations, $100, $500, $1,000 each. The company assumes U.S. normal income tax up to 2 per cent., and will refund Pennsylvania 4 mills tax.

Sinking fund commencing July 1, 1927, and thereafter on Jan. 1 and July in each year, the sum of $23,437, plus interest on bonds previously redeemed. The fund to be used for purchase of bonds in the open market, failing which by call at current redemption prices. First offered Jan., 1925, at 98½ and interest to yield over 6.65 per cent. 6 per cent. mortgage bonds. Principal and interest guaranteed by P. R. Dutremblay, K.C.

## St. James Court

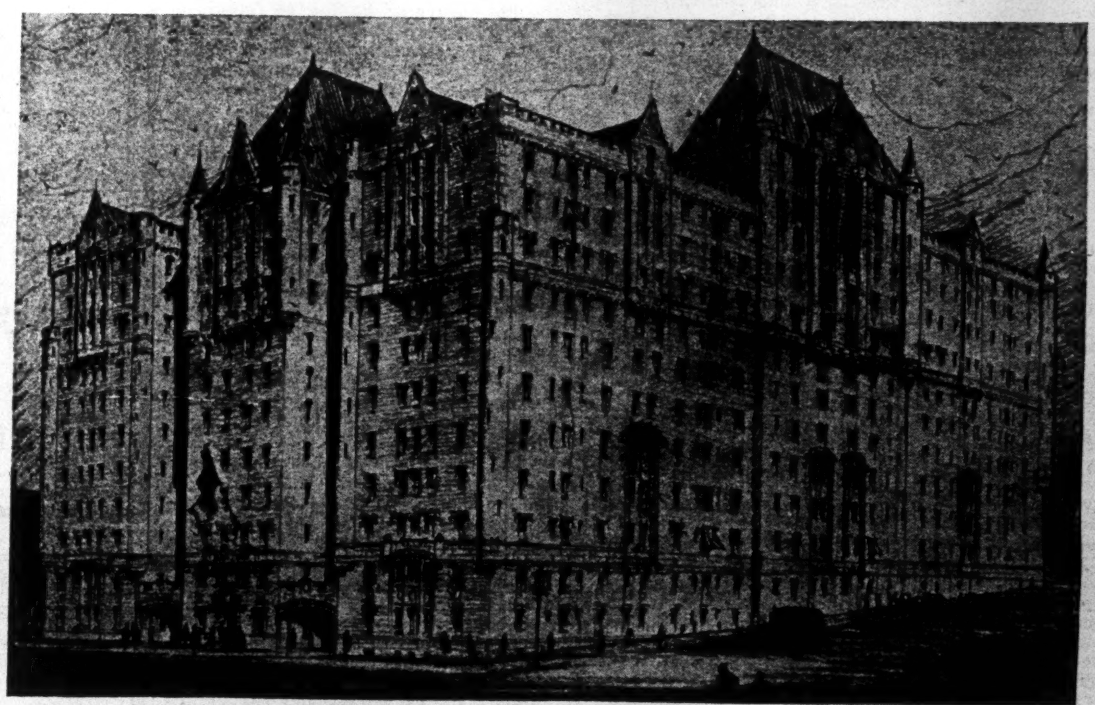
St. James Court which is situated on St. Clair Avenue, West, Toronto, is one of the most recent additions to the high grade housing accommodation of the city. The building is a 200 room apartment and is valued at about $430,000. It is estimated that the net annual rentals are approximately $33,000, or more than twice the annual interest of the serial bond; the bond issue, floated last year, amounted to $250,000.

**Bond Issue—**

$250,000, 6½% first mortgage serial coupon gold bonds. Dated Jan. 30, 1925, maturities 1927 to 1935. Interest payable Jan. 30 and July 30. Coupon bonds in denominations of $1,000, $500 and $100. Callable at 105 and interest on or before Jan. 30, 1926, and half of 1 per cent. less for each year thereafter but in no event less than 102½ and interest.

Income taxes not exceeding 2 per cent. in the aggregate, imposed by the

(Continued on page 23)



*Chateau Apartments, Montreal, built with Concrete.*

CONCRETE CONSTRUCTION
Enhances Earning Power

BUILDINGS of concrete construction are attractive to investors because of the very fact that they are built with concrete.

This modern type of construction assures permanence. It is fire-safe, thereby attracting tenants and assuring earning power.

Concrete is economical to build with. There are no delays through shortage of materials, a fact that forwards the date on which the structure can commence to earn money.

Concrete lends itself to a wide range of architectural treatment. It is readily adaptable to designs that enhance rental value.

Among the outstanding concrete structures recently completed in Canada are the Chateau Apartments, Montreal, and the Northern Ontario Building, Toronto, both of which are attracting a most desirable class of tenants.

*"Concrete Construction can be made 100% Canadian"*

Canada Cement Company Limited

Canada Cement Company Building
Phillips Square Montreal

*SALES OFFICES AT:*
MONTREAL TORONTO WINNIPEG CALGARY

CANADA CEMENT
CONCRETE
FOR PERMANENCE

# TRUSTEE HOLDS TRUST DEED TILL LOAN IS PAID

## Payment of Early Issues Adds to Security of Longer Term Bonds

With the complications arising out of the splitting up of a mortgage into a large number of mortgage bonds, the question naturally arises in the mind of the investor, who holds the mortgage? In the past a mortgage was simply held by the lender of the money, who also held the note on the borrower which stated definitely when payment would be made. In the case of the mortgage bonds, some other arrangement must obviously be made. The mortgage, however, still exists, even though it is divided up into a large number of small units, and it conveys a title to a certain property to ensure the payment of an obligation.

Under the new condition the mortgage is replaced by a trust deed, which conveys the title to a third party, usually a trust company. The trust company under these conditions acts as a trustee for all the lenders jointly. The investor holds the bonds which are virtually notes for the amount of investment against the trust deeds. Those who have undertaken the building project must naturally surrender their title to the property during the life of the loan. The note of obligation may be divided up into notes which have different maturities and therefore arrangements must be made for the part payment of principal when it falls due.

### Differs From Old System

Under these conditions the principal is paid off gradually, whereas under the old system none of the amounts were usually paid until the mortgage came due. Thus the borrower was frequently obliged to keep his money idle and continue to pay interest on it until the loan was due. Under the new system the borrower reduces the face of the loan and therefore the interest charges annually, by paying off a proportion of the bond. The Trust Company, however, does not surrender the title until the principal and all the interest has been met. In this way the security of the longer term bonds increases yearly, as the early payments are met.

What assurance has the investor that the full mortage payment will finally be made? The underwriting syndicate assumes responsibility for its repayment at maturity and makes a definite provision for this repayment with the borrower. As indicated the repayment is spread over the life of the loan, and the investor who wishes a short time investment may have it. When mature it is paid off and the total obligation reduced to that extent. This makes no difference to the lien on the total property which remains intact until the last payment has been made. In this way the long term bondholder is protected from any risk that might otherwise arise from depreciation in the value of the property. Even if for some unforeseen reason depreciation does take place, this is counterbalanced by the decrease in the amount of the obligation.

# THE AUTOMOBILE IS ALWAYS A POTENTIAL TROUBLE MAKER

(Continued from page 14)

class, since they are limited by the value of the car itself, are termed limited hazards. Of these, the principal are: fire, theft and collision insurance. The second class, since they are limited to no definite amount, are called unlimited hazards. The principal of these to-day are public liability and property damage liability insurance.

Of the forms now written, the first undertaken were employers and public liability and property damage. This was undoubtedly due to the fact that from the beginning it was realized that automobiles constitute a greater hazard to the persons and property of others than to themselves.

### Policy Forms Product of Experience

The development and early history of automobile insurance is highly interesting. The present forms of policies and coverages were arrived at only after a considerable period of experimentation. The rapidly changing conditions in the automobile field naturally necessitated frequent, and often drastic revisions of practices. For example, theft insurance, now one of the most serious hazards, was originally written in connection with the fire cover, and was not regarded very seriously at all; in fact, it was regarded so lightly in some instances as to be thrown in with the fire cover for good measure.

Even now, with some twenty-eight years of experience in underwriting this class of business, automobile insurance is hardly more than graduating from the experimental stage. But every successive change in the automobile field has brought out the fact that year by year the need for automobile insurance becomes greater. It is even contemplated that compulsory insurance of certain covers would be in the best interests of the community. But there should be no need for compulsion in connection with automobile insurance. The case for the various classes of cover is sufficiently good for it to sell on its merits to automobile owners if properly presented by agents.

### Many Cars a Menace to Public

As we have observed, four fifths of the automobiles in use in Canada are without insurance protection of any sort. A large percentage of these cars constitute a serious menace since their owners are not financially responsible. That all drivers should carry at least public liability and property damage insurance there can be no question. It is also clear that it would be in the interests of the owner, particularly if he is not "well fixed" financially, to provide himself with the limited coverages insuring him against damage to his own car.

(See first article, issue of March 5.)

### Fixed Ratio Between Land and Buildings

What constitutes the right ratio of land and improvement? Very frequently we see a building go up, the proportionate value of land to improvement is as 1-20. On the other hand we frequently see a ratio of 1-3. What is the happy medium, at what point does a danger exist? It is difficult to apply a "rule of thumb" test and the experience and judgment of underwriters is perhaps the safest guide. The more conservative investment houses usually require 1-5 or 1-4 ratio. Their reasons for setting these limits are briefly as follows. If the ratio is above 1-5, and say 1-8, the land value is low and there must be a reason for the low market value of land which might at some time encumber earnings. On the other hand, if the ratio is below 1-5 and at, let us say, 1-3, there is not a sufficient equity in the building in case of difficient earnings to satisfy bondholders.

### Good Demand for Bonds Secured by Mortgages

A real estate bond of a somewhat different type to that issued on the security of an individual property is that such as sold by Municipal Bankers. The bonds are more like the certificates of a trust corporation or debentures of a loan company in that the underlying security is a number of properties on which mortgages have been taken by the company. The company sells the bonds and deposits with the trust company, mortgages as collateral. The company uses the funds raised by the sale of bonds to purchase mortgages. Unplaced surpluses are carried in government and municipal bonds. While the Municipal Bankers issue when originally brought out was on a 6½ per cent. basis, the company has kept in line with the reduction in money rates, gradually lowering the yield on newly issued bonds, as has been the case with other bonds. These real estate bonds are finding a popular reception.

### International Loan Co. Has Another Good Year

WINNIPEG.—The annual report of the International Loan Co. for the year ending December 31st, 1925, showing continued splendid progress of the company during the twelve months, was unanimously accepted at the 13th annual meeting. Geo. W. Argue, managing director, presented the report. In discussing the past year's business of the company, he referred to the fact that collections in the prairie provinces were better last fall than at any time since 1920. A noticeable feature is that the class of security offered is better and the loans sought are on the whole smaller.

The subscribed capital of the company as shown in the report now stands at $4,202,500, which is an increase of $130,900 over the preceding year. The paid-up capital stands at $606,000, showing an increase of $55,000. First mortgage securities show an increase of $85,000. Total assets total $690,048, an increase of $68,000, while there is a marked decrease of real estate on hand of more than ten per cent. compared with last year's statement. All organization and operating expenses have been paid and the company has paid a total of 63 per cent. in dividends since its inception in 1913, and has no liabilities to the public.

The company has a total of $606,000 invested in mortgage securities and at the close of the year had $34,000 cash in banks which, with other assets, made a total of $690,000 assets against which there are no liabilities.

### Imperial Trusts Shows Increase in Profits

The annual report of the Imperial Trusts Co. shows net profits at $14,330 compared with $2,274, for 1924 and $5,266 for 1923. A dividend of 3 per cent. took $7,445 and the balance was increased from $28,465 to $35,350. Following are comparative figures:

**Profit and Loss**

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Net profits ....... | $14,330 | $ 2,274 | $ 5,266 |
| Bal. forward ..... | 28,465 | 26,191 | 35,426 |
| | $42,795 | $28,465 | $40,692 |
| Dividends ... ..... | 7,445 | ..... | 14,501 |
| Balance ..... ..... | 35,350 | 28,465 | 26,191 |
| | $42,795 | $28,465 | $40,692 |

**Seven Years' Earnings**

| Year | Paid-up Capital | Profits | % Div. | prof. av. Cap. | Earn. Rate |
|---|---|---|---|---|---|
| 1925 .. .. | $248,164 | $14,330 | 3 | 5.7 | 4.3 |
| 1924 .. .. | 248,164 | 2,274 | . | 0.9 | 0.7 |
| 1923 .. .. | 248,044 | 5,226 | 6 | 2.2 | 1.6 |
| 1922 .. .. | 238,183 | 26,447 | 6 | 12.0 | 8.8 |
| 1921 .. .. | 226,036 | 14,687 | 6 | 6.9 | 5.2 |
| 1920 .. .. | 214,179 | 22,857 | 6 | 11.4 | 8.4 |
| 1919 .. .. | 205,526 | 13,573 | 3 | 6.7 | 5.4 |

Arthur J. Jackson, the president, reports that the various branches of the company's business, having regard to the conditions obtaining, show satisfactory results. Deposits stand at $439,031 and the liquid securities specially allocated to trust deposits show a percentage of 50.17. Assets of estates, trusts and agencies under administration amount to $3,652,299. Total assets are shown at $4,714,403.

### Would Label All Goods Not British as Foreign

The Canadian Manufacturers Association, through its executive council, has gone on record as favoring the marking of goods manufactured outside the British Empire as "foreign" and further that goods manufactured within the Empire be marked "Empire manufacture" or "Empire produce," the only exception to this rule being where the goods bear the mark of the country where they were manufactured.

It is felt that by this definite means of identification one means of checking the marketing of smuggled goods can be established. Besides the definite identification of goods of foreign manufacture would undoubtedly be a valuable factor in advancing the Produced-in-Canada campaign.

# WIDER OWNERSHIP OF PROPERTY DUE TO REALTY BONDS

## Old Individual Landlord is Replaced by Small Investor

The real estate mortgage bond is one of those examples of widely dispersed ownership which make for political and economic stability. It is an old generalization that radical and revolutionary tendencies will have little support in a country where the people who do the work, themselves, own the instruments of production. Employee ownership has been found beneficial in many industries. Now the small investor is taking a very deep interest in the ownership of great properties. The wider the dispersion of this ownership in building as well as other enterprise, the greater the stability of the state.

In fact one may go a step farther and say that the old relationship between mortgagor and mortgagee has been reversed. Instead of the rich landlord owning the homes of the masses, the masses may own the homes of the rich. Instead of the hard-hearted usurer, the lender is the rank and file—the small investor. A big operator may call on the public to help him erect a huge hotel. The thrifty workman or clerk, or the small tradesman who has a few hundred dollars saved will become his partners—will lend him the money to complete his building.

What about the safety of this investment which the small investor has made? If he has purchased his bond from a reputable house, he need not worry about his interest, or the possibility of having to foreclose to get his principal back when the mortgage falls due. Had he invested in some branch of industry he might have to worry about depression in that industry, or about some new discovery which alters the situation in the industry and cuts off the profits. There are no depressions in residence or in the occupation of office space. There is no rainy day when people cease to 'reside' on account of bad business. There are no inventions or discoveries which will make residences and offices unnecessary. A house must merely have been well located, well built and be well managed.

### Borrower is Also Secure

Nor does the borrower need to worry about how he is going to meet interest payments as they fall due, if he has followed well recognized lines of this type of financing. If the underwriting house is reputable, it has previously secured conservative appraisals of the property offered as security; it has kept the ratio of the value of the property and the loan within proper limits; it has made the proper provision for earnings to cover interest payments and principal liquidation; it sees that efficient management is retained. It has worked out the details of the loan so carefully that all interest and other payments will be met out of earnings, adequate insurance will be attended to, and every eventuality will be taken care of.

# GREAT WEST LOAN HAD SMALLER LOSS

## President Alexander Sees Considerable Improvement in the Company's Outlook

WINNIPEG.—At the annual meeting of the shareholders of the Great West Permanent Loan Company, President W. T. Alexander, in reply to questions, said that the Marlborough Hotel, in which the company has, in addition to a large stock interest, a large mortgage interest, was steadily increasing its business, and he looked to the time when it would be possible to release the amount tied up in the hotel for other purposes.

In his address to the shareholders, Mr. Alexander was quite optimistic as to the prospects for the coming year, and expressed the belief that the increasing demand for property would enable the company to obtain better revenues and also to sell some of the property which it has acquired through mortgage foreclosures.

Although the balance sheet submitted by the directors to the shareholders was not conspicuously cheerful it represented an improvement over the statement for 1924, inasmuch as the loss for the year under review was reduced from $38,686 in 1924 to $12,515 in 1925.

The balance sheet in most of its items was very similar to its immediate predecessor. Real estate held for sale was less by $90,000, but the interest arrears on mortgages on real estate showed an increase of more than $200,000, being shown at $857,642. Mortgages on real estate were shown at $2,956,613, less by about $50,000 than the preceding year. Among the liabilities to the public, debentures showed an increase of about $60,000, and this Mr. Alexander said, was a matter for congratulation.

### Offer of Great West Shares Taken up by Alexander

WINNIPEG.—At the annual meeting of the shareholders of the Great West Permanent Loan Company, Chas. Duxbury, after asking some questions, offered to sell his stock at approximately a quarter of its original price, an offer which was promptly taken up by W. T. Alexander, the president. The incident led to some recrimination between Mr. Sandison and Mr. Alexander, during which the lie was passed between them. The meeting adjourned, however, before the incident assumed serious proportions.

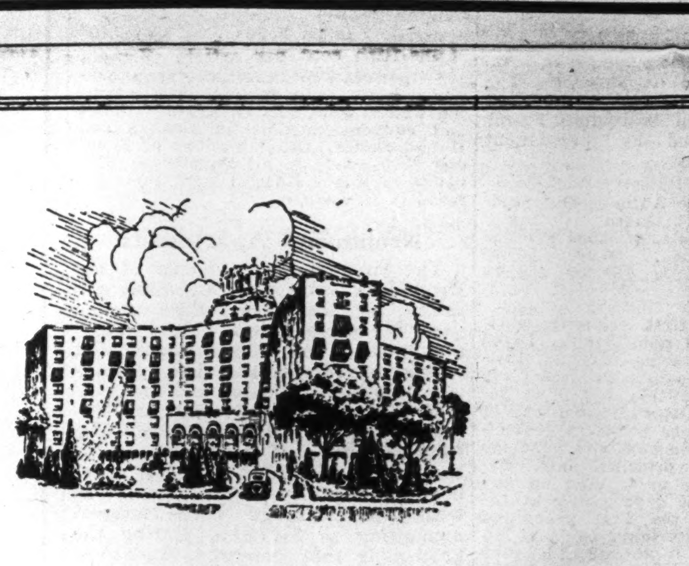
Real Estate Bonds

BELOW we quote a list of the more important Real Estate Bond Issues which we have either originated or in connection with which we have had participations in the sale of securities and which comprise some of the best Real Estate Bonds on the Canadian Market.

| | | Bonds at present outstanding |
|---|---|---|
| $ 325,000 | Chomedy Apartments Limited, 6½% First Mortgage Bonds | $ 325,000 |
| $ 400,000 | Stanley Realty Corporation, operating the Dominion Square Parking Garage, Montreal, 7% First Mortgage Gold Bonds | $ 400,000 |
| $ 400,000 | York-Adelaide Realty Company, Limited, operating the York Parking Garage, 7% First Mortgage Gold Bonds | $ 400,000 |
| $ 600,000 | Marcus Loew's Toronto Theatres Limited 6% First Mortgage Bonds | $ 428,000 |
| $ 850,000 | Border Cities Hotel Co. First Mortgage 7½% Bonds | $ 835,000 |
| $2,000,000 | Drummond Investment Co. 6½% First Mortgage Bonds | $2,000,000 |
| $1,000,000 | King Edward Hotel Co. 7% General Refunding issue | $1,000,000 |
| $ 750,000 | Keefer Realty Corporation 6½% First Mortgage Bonds | $ 750,000 |
| $ 250,000 | National Realty Corporation 7% First Mortgage Bonds | $ 250,000<br>now being issued |

*Information in regard to or particulars on these various issues will be gladly furnished on request.*

W. A. MACKENZIE & COMPANY
*Investment Bankers*
217 Bay Street - - Toronto, Ont.



*Architects*
Warren & Wetmore
New York City

Berkeley-Carteret
Hotel
Asbury Park, N.J.

*Contractors*
Turner Construction Co.
New York City

*We offer you a thousand silent partners*

What prevents you from putting up your building? Finances? The Miller Plan is waiting to bring to you financial aid from a thousand silent partners. Business executives, salaried workers and professional people—men and women in all walks of life—who extend to the builders and owners of hotels, office structures and apartment buildings financial help by investing in Miller First Mortgage Bonds.

Each year the number of owners and builders who complete new constructions and make them successful, income-earning buildings with the aid of this Miller Plan increases vastly. And naturally too.

The Miller Plan of Financing offers you many attractive advantages:

1. Periodic disbursements are made as the building is constructed.
2. Building is sufficiently financed at the outset.
3. This financing is secured by a first mortgage on the land and building.
4. Convenient payments, out of income from the completed structure, take care of interest and reduce amount of indebtedness.
5. Financing less expensive under the Miller Plan. No shopping for money. No renewals of short-term mortgages.
6. Best type of building is produced. The architect's ideas are carried out.
7. By the simple operation of the Miller Plan, the owner is relieved of the worrisome details of the ordinary loan.

The success of the structure you build depends to a great extent upon the manner in which it is financed. The Miller Plan assures this success, as owners who have availed themselves of this financing plan will tell you.

**$250,000 to $5,000,000 and more**

We are ready to place at your disposal any amount from $250,000 to $5,000,000 and more, which will be secured by a first mortgage on your land, building and equipment.

Find out more about this Miller Plan of Financing. Let us send you letters from owners and builders for whom we have negotiated first mortgage bond issues. Write for the details of the "Miller Plan of Financing."

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# Increasing Volume of Money Will Reduce Mortgage Rates

## No Indication of Need for Dominion Government to Enter Field in Interests of Borrowers — Long-Serving Companies Not Consulted

By GEORGE H. SMITH,

**President of the Land Mortgage Companies' Association in address at the annual meeting.**

A subject which is, perhaps, of more interest to the majority of our members than any other which is at present under discussion, is the fact that if the government retains control of parliament, as now seems probable, legislation will be passed at the present session establishing some form of rural credits. While those actively associated with the various institutions which for many years have loaned very large sums to Canadian farmers, as well as to other owners of real estate, have not hesitated to say that this step is totally unnecessary; we are at the moment mainly concerned, as all other good citizens should be, in assisting as we may be able those who in the interests of the Dominion wish to see whatever system of rural credits may be decided upon, established upon such a basis as will ensure its successful operation free from those severe losses which have been associated with every similar undertaking of this nature in various parts of Canada

This is not the place to discuss the merits or demerits of rural credit systems, the question as to whether they are required or even whether they are desired by any considerable portion of that class of the community in whose interests they are being specially advocated, nor the justice of setting up with the support of the Dominion and provincial governments a severe form of competition to those lending institutions which up to this present moment have fully supplied the requirements of every farmer who had adequate real estate security to offer and at rates of interest as fair and reasonable as the varying conditions of the money market rendered possible.

### Service of Companies

The establishment of these lending institutions was welcomed by the people, and in the active prosecution of their business they had the approval and encouragement of legislatures and governments. They necessarily assumed heavy obligations and incurred liabilities aggregating enormous sums. They have been subjected to both provincial and Dominion taxation by which they have contributed large sums to the Dominion and to every province in which they have carried on business. In the effort to supply every legitimate demand they have taken many risks and in the attempt to treat with consideration the circumstances of their customers have sustained heavy losses, to which governments and legislatures have largely contributed by the creation of priorities of various kinds which have seriously diluted their securities.

What may be the effect upon their business of the setting up of this new competition it would be idle to attempt to predict. If whatever organization be created for this purpose be required to conduct its loaning on a business basis, adding to the cost of the money loaned the actual cost of administration, including the losses sustained, and if the legislatures give mortgages to other lenders the same prior position as mortgages under the rural credit scheme will occupy, we believe the lending companies can continue to contribute in a considerable measure to the development of the rural as well as the other section of our country—notwithstanding the severe taxation to which they are subject and from which their competitors will no doubt be free.

### Companies Not Heard

The report of the commissioner who has been investigating rural credit systems was made, and the conclusions of the parliamentary committee which considered it were reached, without the companies which are so largely interested being given an opportunity to submit information which could not but have been of assistance in dealing with such a complex and many-sided question. The officials of the government are, however, in possession of statistics which show the percentage which must necessarily be added to the cost of money for administration purposes, even if as conservative a policy of loaning be adopted as has been followed by strictly business institutions. They have also the facts with respect to much heavier losses sustained by western provinces which have ventured into those treacherous waters. The companies which have had long experience in this field will gladly place the results of that experience at the disposal of the government with a view to assist them in framing their legislation. We have no desire to prevent the western agriculturist from obtaining the funds necessary for the successful conduct and development of his operations on the most favorable terms possible. If he prospers the country will share in his prosperity and we shall all be benefited thereby. But it will not profit Canada nor any section of Canada to adventure further along the road of said experience, such as the one which led to an already ascertained loss of twenty-five per cent. on advances made to less than ten per cent. of the farmers of one of our provinces, for which the other ninety per cent. of those farmers as well as other classes of the community must pay.

### Denmark's Plan

Probably the most successful of all rural credit schemes is that in existence in Denmark, which is operated as a co-operative system. As is the case with all undertakings conducted on a basis, the rates of interest paid by borrowers vary from time to time in accordance with the varying conditions of the money and securities markets. Notwithstanding the greater stability of values in an old and more densely populated country, with comparative freedom from losses, and the possibility of transacting business with much less expense in a country of small area, we are informed that the rate at which money was recently being obtained under this system was in excess of six and three-quarters per cent.

Whether in the future borrowers obtain their loans from some rural credit organization created by parliament, or from loan, trust and life assurance companies and other existing forms of lending institutions, there is every indication that a steadily increasing volume of money will be available, with a persistent trend towards lesser rates of interest. One of the most important questions demanding the attention of our executives will, therefore, be a reduction in the cost of the money we borrow and for which it is necessary to obtain a fixed minimum percentage in excess of the rate of interest we pay for it.

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## ADVERTISING CONTRIBUTES TO DROP IN DISTRIBUTION COSTS

(Continued from page 2)

had upon output and selling costs, and the ultimate costs to the consumer. The same data would apply to Canada. The data collected indicate conclusively that the first three results named above are brought about by advertising. With regard to the fourth, all will agree that living standards have been raised. Former luxuries have become common necessities. The working man now enjoys a degree of comfort that was once possible only to the rich. "The plumbing advertising with its enticing porcelain tubs and artistic tile has made us a cleaner nation. The cereal advertising has changed our breakfast habits and has been good for our digestions and the tremendous amount of tooth brush, tooth paste, tooth powder and tooth wash advertising is keeping down the national dentist bill...... It has brightened our homes and set higher standards of living.

Naturally each firm must decide for itself the actual benefit of advertising in its own particular line. The matter can not be considered in bulk. No one could plan in advance the possible effect of $100,000 worth of advertising. The only way it can be considered is on a "cost per item" basis. The investment of one cent per article, of a certain class of goods, may be found necessary to bring up volume of sales to a point where the outlay can be lowered to one-half or one-fifth cent per article. Some examples of the tangible effects of advertising brought out at the Washington conference follow:

A tobacco company shows decreased cost of selling and stationary prices in face of increased production costs.

A company selling direct to the consumer has increased sales from $250,000 in 1914, when advertising began, to over $15,000,000 in 1924. Officials of the firm stated that the selling costs would have been much greater had not advertising made it possible for representatives to gain entrance to the home.

A company producing and selling a beverage, which on account of advertising, shows lower selling price to the consumer in spite of a five-fold increase in raw material. Their officers state that in 1897 the price per ton of the only raw product used was $10 and the trade price of product per case, $4.75. In 1913 the price per ton of raw product was $52 and the trade price per case, $4.25. A similar change continued. It was attributed to advertising.

These and scores of similar cases provide evidence of the results of judicious and well considered advertising.

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## Apartment House Issues

(Continued from page 21)

Dominion of Canada, the Province of Ontario, or the United States, paid by the borrower.

First offered Feb., 1925, at par and accrued interest in Canadian exchange to net 6½ per cent.

### 200 St. Clair West

The new apartment house at 200 St. Clair West, owned and operated by the Two Hundred St. Clair West Co., Ltd., is one of the fine apartments of Toronto. It is one of the first to be architect-built in the city; is situated in a high grade section of the city; is centrally located and is thoroughly modern in every respect. This is considered one of the good properties in this class. There is no second mortgage in connection with this.

**Capitalization—**

| | Authorized | Outst'd'g |
|---|---|---|
| 7%, 1st mtge. bonds.. | $180,000 | $180,000 |
| 8% cum. preferred .. | 125,000 | 100,000 |
| Com. (no par value) | 5,000 shs. | 5,000 shs. |

**Bond Issue—**

$180,000, 7% first mortgage (closed) sinking fund gold bonds. Dated July 1, 1925, maturing July 1, 1945. Interest payable Jan. 1 and July 1. Coupon bonds, denominations $1,000, $500, $100. Redeemable as a whole or in part, at the company's option on any interest date on 30 days' notice, at 103 and accrued interest to July 1, 1933; at 102 and accrued interest thereafter to July 1, 1940, and at 101 and interest thereafter to maturity.

Sinking fund: The issue provides that the company shall pay semi-annually, commencing July 1, 1927, and thereafter on the 1st of Jan. and July each year, $2,000 plus interest on bonds previously redeemed for sinking fund.

First offered in June, 1925, at 100 and interest to yield 7 per cent.

### Ouellette Apartment

The Ouellette Apartment, Windsor, Ont., was financed by the United Bond Co., of Windsor, through the flotation of a $60,000 issue at 7 per cent., first mortgage bonds, maturing from two to seven years. Interest is payable semi-annually at Windsor, Toronto or Detroit. With a gradually increasing population, the City of Windsor needs increased housing accommodation constantly, and it is understood that the Ouellette Apartments have been quite successful to date.

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# February's Building Shows Million Dollar Increase

## Big Expansion Evident in Nearly All Western Cities—Decline Shown in Total For the East

Building for the first two months of the year increased by approximately three-quarters of a million dollars over the first two months of 1924, and the West was responsible entirely for the increase. There was a decline, in fact, in the permits in 33 eastern cities. Sixteen western cities registered an increase of $1,090,914, while permits in the eastern cities dropped $352,270. The bulk of the increase in the West took place in Vancouver, where in the month of February alone permits for dwelling houses amounted to $259,475, and for stores and offices, $238,910. Only five of the sixteen western cities showed declines over the first two months of last year. Sixteen of the thirty-three eastern cities showed declines.

February's increase over February last year in building permits issued, amounted to $1,179,436. Details by cities follow:

BUILDING PERMITS ISSUED IN FEBRUARY

| | Feb., 1926 | Feb., 1925 | Change | 2 months 1926 | 2 months 1925 | Change |
|---|---|---|---|---|---|---|
| **Maritimes—** | | | | | | |
| Halifax .. ............ | $18,225 | $32,560— | $14,335 | $28,355 | $34,750— | $6,395 |
| New Glasgow .......... | Nil | Nil | ..... | Nil | Nil | ...... |
| Sydney ... ............ | 2,000 | 300+ | 1,700 | 5,100 | 300+ | 4,800 |
| **Quebec—** | | | | | | |
| Montreal ...... ...... | 2,900,470 | 1,983,668+ | 916,802 | 3,448,980 | 2,748,903+ | 700,077 |
| Outremont ... ......... | 60,750 | 158,000— | 97,250 | 210,750 | 370,000— | 159,250 |
| Quebec ...... ......... | 30,975 | 68,420— | 37,445 | 46,951 | 80,620— | 33,669 |
| Shawinigan Falls ...... | .......... | 18,000— | 18,000 | 240,179 | 373,600— | 133,421 |
| Sherbrooke ... ........ | 8,000 | 20,700— | 12,700 | 13,600 | 44,700— | 31,100 |
| Westmount ..... ...... | 92,000 | 201,200— | 109,200 | 398,700 | 253,525+ | 145,175 |
| **Ontario—** | | | | | | |
| Belleville ... ......... | 4,900 | 7,600— | 2,700 | 6,200 | 7,875— | 1,675 |
| Border Cities ... ...... | 260,070 | 206,700+ | 53,370 | 594,205 | 586,850+ | 7,355 |
| Brantford ... ......... | 15,600 | 3,340+ | 12,260 | 16,540 | 14,840+ | 1,700 |
| Chatham ... .......... | 11,500 | .......+ | 11,500 | 21,600 | ......+ | 21,600 |
| Fort William..... ..... | 9,600 | 11,060— | 1,460 | 19,700 | 17,810+ | 1,890 |
| Galt ... ............. | 660 | 1,300— | 640 | 4,460 | 7,200— | 2,740 |
| Hamilton ... .......... | 118,950 | 170,550— | 51,600 | 210,550 | 230,350— | 19,000 |
| Kingston ............. | 10,955 | 515+ | 10,440 | 11,315 | 1,840+ | 9,475 |
| Kitchener ... ......... | 22,380 | 37,860— | 15,480 | 55,415 | 77,460— | 22,045 |
| Niagara Falls ......... | 124,300 | 30,730+ | 93,570 | 200,875 | 63,055+ | 137,820 |
| Oshawa ... ........... | 12,250 | 8,450+ | 3,800 | 29,050 | 16,170+ | 12,880 |
| Ottawa ... ........... | 24,540 | 91,017— | 66,477 | 49,340 | 347,217— | 297,877 |
| Peterborough ... ....... | 1,395 | 5,475— | 4,080 | 13,895 | 5,475+ | 8.420 |
| Port Arthur .......... | 48,455 | 3,795+ | 44,660 | 51,375 | 5,160+ | 46,215 |
| Sarnia ..... ......... | 18,955 | 48,310— | 29,355 | 47,882 | 58,135— | 10,253 |
| Sault Ste. Marie ....... | 1,455 | 1,900— | 445 | 6,845 | 2,600+ | 4,245 |
| Smith's Falls ... ...... | Nil | Nil | ..... | Nil | Nil | ..... |
| St. Catharines ......... | 1,200 | 11,200— | 10,000 | 7,960 | 17,575— | 9,615 |
| St. Thomas ... ........ | 1,140 | 830+ | 310 | 6,290 | 4,405+ | 1,885 |
| Stratford ..... ....... | 1,630 | 38,840— | 37,210 | 1.985 | 39,665— | 37,680 |
| Toronto ..... ........ | 1,133,910 | 1,054,935+ | 78,975 | 2,249,540 | 2,898,290— | 648,750 |
| Welland ..... ........ | 5,350 | 3,305+ | 2,045 | 6,230 | 3,455+ | 2,775 |
| Woodstock ... ........ | 2,365 | 3,138— | 773 | 4,070 | 5,432— | 1,362 |
| York Township ........ | 164,600 | 167,350— | 2,750 | 275,700 | 318,650— | 42,950 |
| Total 33 Eastern Cities . | $5,108,580 | $4,391,048+ | $ 717,532 | $8,283,637 | $8,635,907— | $ 352,270 |
| **WESTERN CITIES** | | | | | | |
| **Manitoba—** | | | | | | |
| St. Boniface ........... | $12,000 | $22,225— | $10,225 | $49,500 | $22,285+ | $27,215 |
| Winnipeg ..... ........ | 85,150 | 127,150— | 42,000 | 162,400 | 206,150— | 43,750 |
| **Alberta—** | | | | | | |
| Calgary ......... ...... | 71,373 | 45,000+ | 26,373 | 126,423 | 93,550+ | 32,873 |
| Edmonton ..... ........ | 37,450 | 11,790+ | 25,660 | 55,600 | 21,665+ | 33,935 |
| Lethbridge ... ........ | 11,660 | 4,471+ | 7,189 | 14,825 | 4,721+ | 10,104 |
| Medicine Hat .......... | Nil | Nil | ..... | 135 | 145 | 10 |
| **Saskatchewan—** | | | | | | |
| North Battleford ...... | Nil | Nil | ..... | Nil | Nil | ..... |
| Prince Albert .......... | 4,845 | 1,175+ | 3,670 | 4,845 | 1,175+ | 3,670 |
| Regina ...... ......... | 204,725 | 14,050+ | 190,675 | 218,925 | 32,400+ | 181,525 |
| Saskatoon ...... ...... | 7,290 | 16,380— | 9,000 | 18.550 | 20,430— | 1,880 |
| Yorkton ........ ...... | Nil | 5,000— | 5,000 | Nil | 8,000— | 8,000 |
| **British Columbia—** | | | | | | |
| Nanaimo ... ......... | 7,600 | 4,800+ | 2,800 | 12,600 | 8,600+ | 4,000 |
| New Westminster ...... | 47.800 | 46,675+ | 1,125 | 92,850 | 59,450+ | 33,400 |
| Point Grey ............ | 458,900 | 547,700— | 88.800 | 729,700 | 880.400— | 150.700 |
| Vancouver ... ......... | 792,485 | 458,925+ | 333,560 | 1,774,030 | 793,735+ | 980,295 |
| Victoria ........ ...... | 55,305 | 29,338+ | 25,967 | 84,820 | 96,583— | 11,763 |
| Total 16 Western Cities | $1,796,583 | $1,334,679+ | $ 461,904 | $3,340,203 | $2,249,289+ | $1,090,914 |
| Grand total 49 cities.... | $6,905,163 | $5,725,727+ | $1,179,436 | $11,623,840 | $10,885,196+ | $ 788,644 |

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Municipal Bankers Bonds

—*Give You Safety and 5¾%*

Real Estate Bonds—Plus

MUNICIPAL Bankers' bonds are secured dollar for dollar by securities assigned to and deposited with the Trustee for the bondholders and are limited to an amount not exceeding at any time the principal amount owing on the security from time to time of the Government bonds or municipal bonds or mortgages on improved real estate so assigned and deposited with the Trustee.

The mortgages are independently appraised, and together with Government and Municipal Bonds, are deposited under a trust deed, with the Toronto General Trusts Corporation. Municipal Bankers Bonds are then issued "Dollar for Dollar" against these securities.

Municipal Bankers Bonds are issued for a 20-year term, assuring the investor a fair and consistent rate of interest over a long period. The interest is payable at par, every six months, at any branch of the Royal Bank in Ontario.

This class of security has stood the test of time and combines the most desirable features of sound investment—safety and fair interest return. Issued in denominations of $100, $500 and $1,000, they meet the requirements of the large or small investor.

BOARD OF DIRECTORS
governing the
Municipal Bankers Corporation Limited

SIR WILLIAM HEARST, K.C.M.G., K.C., LL.D.
Prime Minister of Ontario, 1914-1919; Commissioner International Joint Commission; President Professional Offices Limited.

SIR JOHN WILLISON, K.B., LL.D.
President Canadian Rail and Harbour Terminals Limited.

HONORABLE GEORGE GORDON
Director Bank of Nova Scotia

COL. W. N. PONTON, K.C.
Solicitor, Bank of Montreal, Belleville; President Ontario Bar Association.

W. H. GREGORY
General Manager British Mortgage Loan Corp.

D. H. COLEMAN
Treasurer County of Simcoe

D. W. GORDON
Member Executive Committee Municipal Bankers Corporation

D. H. McCAUGHERTY
Chairman Hydro Electric Commission Toronto Township; Warden Peel County, 1919

JOHN McMILLAN
General Manager Canadian Pacific Railway Company's Telegraph.

JOHN McCLELLAND
President Wellington Telephone Company

T. A. NEELY
Member Executive Committee Municipal Bankers Corporation

D. W. WALLS
Manufacturer; Warden County of Ontario, 1919

PERCY HURD, M.P.
Managing Director Canada Gazette, London, Eng.

DR. R. J. SPROTT, D.D.S., L.D.S.
President Ontario Dental Society; Mayor of Barrie, Ontario, 1917-1920

HON. A. TURGEON
President Legislative Council, Province of Quebec; Director Quebec Railway, Light, Heat & Power Company

J. T. ROSS
Director Royal Bank of Canada

ROBERT B. HUTCHESON
Doucet, Phillips & Hutcheson, Notaries, Royal Bank of Canada.

We have prepared for distribution a very interesting booklet, "What Investment Authorities say about Municipal Bankers Bonds." If you are interested in locating a safe channel for the investment of your surplus funds it will well repay you to have us send you a copy of this booklet.

Municipal Bankers
Sales Corporation, Limited
Government Municipal and Mortgage Bonds
34 King Street East, Toronto

Sir William Hearst, K.C.M.G., President
Sir John Willison, K.B., LL.D., Vice-President

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# Gilman Fanfold Corporation

Limited

The Report of the Board of Directors of the Gilman Fanfold Corporation, Ltd., for the nine months ended December 31st, 1925, was submitted to the Shareholders at the Annual Meeting held on March 12th, 1926.

## *Statement of Profit and Loss and Surplus*

FROM THE COMMENCEMENT OF BUSINESS, APRIL 1st, 1925, TO DECEMBER 31st, 1925

| | | |
|---|---|---|
| Profits for Nine Months before providing for Depreciation or Federal Taxes.... | | $ 200,267.24 |
| **Deduct:** | | |
| Provision for Depreciation of plants ........ | $ 57,732.51 | |
| Written off Patents ........ | 4,443.33 | |
| | | 62,175.84 |
| Net Profits before deducting Federal Taxes ........ | | $ 138,091.40 |
| **Deduct:** | | |
| Provision for Federal Taxes ........ | | 17,500.00 |
| Net Profits ........ | | $ 120,591.40 |
| **Dividends:** | | |
| On Preference Stock at rate of 7% per annum ........ | $ 35,000.00 | |
| On Common Stock at the rate of 6% per annum ........ | 40,000.00 | |
| | | 75,000.00 |
| Surplus Carried Forward ........ | | $ 45,591.40 |

## *Statement of Assets and Liabilities, December 31st, 1925*

ASSETS

| | | |
|---|---|---|
| **Capital Assets:** | | |
| Buildings ........ | $ 211,208.61 | |
| Plant, Machinery and Equipment ........ | 919,257.21 | |
| | | $1,130,465.82 |
| Trademarks, Patents and Goodwill ........ | | 496,272.21 |
| **Current Assets:** | | |
| Merchandise ........ | $ 159,899.84 | |
| Accounts Receivable, less reserve for doubtful accounts ........ | 168,468.14 | |
| Cash at Banks and on hand ........ | 90,401.87 | |
| | | 418,769.85 |
| **Deferred Charges:** | | |
| Prepaid Insurance Premiums, etc. ........ | | 11,283.82 |
| | | $2,056,791.70 |

LIABILITIES

| | | | |
|---|---|---|---|
| **Capital Stock:** | | | |
| Authorized and Issued: | | | |
| 7% Cumulative Preference Stock: | | | |
| 7,500 shares of a par value of $100.00 each ........ | | $ 750,000.00 | |
| Common Stock: | | | |
| 10,000 shares of a par value of $100.00 each ........ | | 1,000,000.00 | |
| | | | $1,750,000.00 |
| **Current Liabilities:** | | | |
| Accounts and Bills Payable ........ | | $ 167,217.79 | |
| Dividend on Preference Stock due January 2nd, 1926 ........ | | 8,750.00 | |
| Dividend on Common Stock due January 2nd, 1926 ........ | | 10,000.00 | |
| Reserve for Federal Taxes ........ | | 17,500.00 | |
| | | | 203,467.79 |
| Reserve for Depreciation ........ | | | 57,732.51 |
| **Surplus:** | | | |
| Net Profit for the period of nine months ending December 31st, 1925, after providing for Federal Taxes ........ | | $ 120,591.40 | |
| Deduct—Dividends from May 1st, 1925: | | | |
| On Preference Stock at the rate of 7% per annum .... | $35,000.00 | | |
| On Common Stock, at rate of 6% per annum........ | 40,000.00 | | |
| | | 75,000.00 | |
| | | | 45,591.40 |
| | | | $2,056,791.70 |

Directors—S. J. Moore, E. G. Baker, A. S. Gilman, A. E. Ames, Wm. O'Connor, O. L. Moore, A. M. Bovier. Officers—S. J. Moore, President; E. G. Baker and A. S. Gilman, Vice-Presidents; O. L. Moore, Treasurer and General Manager; W. N. McLeod, Secretary.

**Some of the people and institutions who are now using the 1926 Survey:**

Railway Passengers Assurance Co., Toronto.
National Electric Light Association, New York.
Bureau of Statistics, Quebec.
Portage La Prairie Mutual Fire Insurance Co., Portage La Prairie.
British Canadian Trust Co., Lethbridge.
Great West Permanent Loan, Winnipeg.
Canada National Fire, Winnipeg.
Imperial Can. Trust, Winnipeg.
Smith Manufacturing Co., Toronto.
F. W. Dickey & Co., Halifax.
J. M. Robinson & Son, St. John.
Royal Mail Steam Packet Co., Halifax.
Nova Scotia Trust Co., Halifax.
P. B. Rendell, Eastern Trust Co., St. John's, Nfld.
Western Life Assurance Co., Winnipeg.
Northern Trust Co., Winnipeg.
Traders' Trust Co., Winnipeg.
Mortgage Co. of Canada, Winnipeg.
Clark, Martin & Co., Winnipeg.
Govt. of Alberta, Edmonton.
Commercial Life Assurance Co., Edmonton.
Ceperley, Rounsfell & Co., Vancouver.
City of Vancouver, Vancouver, B. C.
R. G. Christy & Co., Victoria.
Dominion Life Assurance Co., Waterloo.
Vancouver Daily Province, Vancouver.
Canada Life Assurance Co., Toronto.
Gillespie, Hart & Todd, Vancouver.
American Credit Indemnity Co., Toronto.
Northern Life Assurance Co., London.
W. A. MacKenzie & Co., Toronto.
Prairie Nurseries, Estevan.
City of Calgary, Calgary.
Alexander Hamilton Institute, New York.
T. Eaton Co., Toronto.
Legislative Library, Toronto.
Morland & Impey, Toronto.
Walter T. Smith & Co., Toronto.
Hamilton Public Library, Hamilton.
Toronto Public Library, Toronto.
Milton Hersey Co., Montreal.
Can. Acme Screw & Gear, Toronto.
Duncan & Bell, Toronto.
McConnell & Fergusson, London.
Canada Life Assurance Co., Calgary.
Toronto Transportation Commission, Toronto.
Deloro Smelting & Refining Co., Delora.
T. Eaton Co., Montreal Office, Toronto.
U. S. Trade Commissioner, Ottawa.
Vancouver Board of Trade, Vancouver.
Worthington, Savage & Co., Toronto.
Roberts, Cameron & Co., Toronto.
Carnegie Public Library, Ottawa.
Hodgson Lumber Co., Vancouver.
Commissioner for Northern Manitoba, La Pas.
National City Co., Montreal.
Dominion Bank, Toronto.
Royal Bank of Canada, Toronto.
Dominion Securities Corp., Toronto.
Toronto General Trusts Corp., Toronto.
Imperial Bank, Toronto.
Johnston & Ward, Montreal.
Nesbitt, Thomson & Co., Montreal.
Engineering & Machine Works of Canada, St. Catharines.
Stewart, McNair & Co., Toronto.
Sani-Products, Toronto.
Yorkshire Insurance Co., Montreal.
Harris, Forbes & Co., New York.
Burndept & Co. of Canada, Toronto.
Victoria College, Toronto.
Ottawa Electric Co., Ottawa.
Department of Highways, Toronto.
Hugh C. MacLean, Toronto.
Hamilton Chamber of Commerce, Hamilton.
Babcock-Wilcox & Goldie-McCullough, Galt.
Passenger Traffic Manager, C. P. R., Montreal.
Toronto Harbour Commission, Toronto.
Goodyear Tire & Rubber Company, Toronto.
Trades & Labor Council, Toronto.
Heaton & Courtwright, Toronto.
Supreme Court of Ontario, Toronto.
Deakin, Pender & Co., Hamilton.
American Consul, Toronto.
International Harvester Company, Hamilton.
Steel Co. of Canada, Hamilton.
Shirley & Derritt, Ltd., Toronto.
Zimmerman & Mallock, Hamilton.
Dominion Life Assurance Co., Hamilton.
United Publishers of Canada, Ltd., Toronto.
London Bolt & Hinge Co., London.
United Farmers' Co.-Operative, Toronto.
Lyons Fuel & Supply Co., Sault Ste. Marie.
Communist Party, Toronto.
General Motors of Canada, Oshawa.
Ontario Malleable Iron Co., Oshawa.

Dominion Natural Gas Co., Toronto.
Automotive Industries of Canada, Toronto.
R. A. Daly & Co., Toronto.
Granite Club, Toronto.
Dom. Foundries & Steel, Hamilton.
Dominion Sheet Metal Company, Hamilton.
Hoover Co., Hamilton.
American Can. Co., Hamilton.
Stanley Steel & Tool Works, Hamilton.
International Silver Co., Hamilton.
Keenan Bros., Owen Sound.
New York Public Library, New York.
Northern Ontario Light & Power Co., Cobalt.
Archibald Bros., Harbor Grace, Nfld.

Alloway & Champion, Winnipeg.
M. W. Graves & Co., Bridgetown.
Thomas, Armstrong & Bell, St. John.
Revelstoke Review, Revelstoke.
Journal of Commerce, Vancouver.
H. R. Fullerton & Co., Vancouver.
Wolverton & Co., Vancouver.
Bennett, Hannah & Sanford, Calgary.
C. C. Arnott & Co., Ltd., Calgary.
Avern Pardoe & Co., Toronto.
Retail Merchants' Association of Canada, Ottawa.
City of Outremont, Outremont.
Sinclair & Valentine, Toronto.
Canadian Bank of Commerce, Yonge & Queen Br., Toronto.
Riverdale Lumber Co., Toronto.
Hendrie & Co., Hamilton.

Canadian Detroit Twist Drill Co., Walkerville.
Acme Timber Co., Sudbury.
Atwater, Bond & Beauregard, 160 St. James St., Montreal.
McLaughlin Motor Co., Oshawa.
Simmons, Ltd., Montreal.
Tutt Clothing Co., Toronto.
Lincoln Pulp & Paper Co., Merritton.
Wm. Neilson, Ltd., Toronto.
Salada Tea Company, Toronto.
Can. Northern Prairie Lands, Toronto.
Imperial Bank of Canada, Winnipeg.
Piercey Supply Co., Halifax.
Metropolitan Life Insurance Co., Quebec
Canadian Vickers, Ltd., Maisonneuve.

Perfection Corset Co., Quebec.
Canada Paint Co., Montreal.
John Ritchie Co., Quebec.
Monarch Mortgage & Investment Co., Toronto.
Massey-Harris Co., Toronto.
Swift Canadian Co., Toronto.
Canadian Malting Co., Toronto.
Mountain Lumber Association, Nelson.
Northland Sales Co., Vancouver.
Union Natural Gas Co., Ltd., Chatham.
Kemp & Co.. P. O., Trail.
U. S. Steel Corp., Toronto.
Norwich Union Fire Ins. Co., Toronto.
Montreal Trust Co., Toronto.
Mount Royal Assurance, Montreal.
Malkin-Pearson, Nanaimo.
University of Alberta, Edmonton.
Bradshaw, Ltd., Toronto.
Toledo Scale Co., Windsor.
Canadian Manufacturers' Association, 59 Yonge St., Toronto.
American Consulate, Toronto.
Toronto Clearing House, Toronto.
Combustion Engineering Co., Toronto.
Standard Lime Co., Guelph.
W. N. McEachern & Co., Toronto.
Trail Mercantile Co., Trail.
P. Burns & Co., Ltd., Calgary.
Can. Woollens, Peterboro.
Bank of Montreal, La Salle.
Ogilvie Flour Mills, Fort William.
Norwegian Consulate General, Montreal.
Consulate of Finland, Montreal.
Royal Swedish Consulate, Montreal.
H. G. Brown, Beech Nut Co. of Can., Hamilton.
Canadian Bank of Commerce, Saskatoon.
Japanese Consulate, Vancouver.
United Typewriter Co., Toronto.
Sun Life Assurance Co., Toronto.
Huron & Erie Mortgage Co., Toronto.
John MacDonald & Co., Toronto.
Matthews & Co., Toronto.
Famous Players Canadian Corporation, Toronto.
Crane, Ltd., Toronto.
Can. Needle & Fishing Tackle Co., Toronto.
Nova Scotia Power Commission, Halifax.
Can. Credit Men's Association, Toronto.
Grant Holden & Graham, Ottawa.
Pilliner Co., Ltd., Waterloo.
Waterloo Mfg. Co., Waterloo.
Alpha Chemical, Kitchener.
Dominion Button Co., Kitchener.
Breithaupt Leather Co., Kitchener.
Bank of Nova Scotia, St. John.
Colgate Hardware Co., Colgate.
Metropolitan Stores, London.
Bank of Montreal, Hamilton.
Mathewson, McLennan & Molson, Montreal.
McCuaig Bros., Montreal.
Oswald & Drinkwater, Montreal.
Hanson Bros., Montreal.
W. J. Gage & Co., Toronto.
Toronto City Auditor, Toronto.
London Advertiser, London.
Canada Glue Co., Brantford.
Thorne Mulholland, Howson & McPherson, Hamilton.
Hamilton Thistle Club, Hamilton.
Brantford Finance Corp., Ltd., Brantford.
Hamilton Finance Corp., Hamilton.
John Forsyth, Kitchener.
Kaufman Rubber Co., Kitchener.
Riverside Silk Mills, Galt.
Getty & Scott, Galt.
Simcoe Reformer, Simcoe, Ont.
Atlantic Pulpwood Co., Annapolis Royal.
Continental Casualty Co., Toronto.
Furniture Mfg. Association, Toronto.
Sommerville Paper Box, London.
Northern Electric Co., Toronto.
Southam Press, Toronto.
Plessisville Foundry, Plessisville.
Sir Percy Sherwood 451 Daly Ave., Ottawa.
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